| THIS FILING IS (CHECK ONE BOX FOR EACH ITEM) | | |
|---|---|---|
| Item 1: [X] An Initial (Original) Submission | OR [ ] | Resubmission No. ____ |
| Item 2: [ ] An Original Signed Form | OR [ ] | Conformed Copy |

Form Approved
OMB No. 1902-0021
(Expires 3/31/2005)

# FERC Form No. 1:
# ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHERS

This report is mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

| **Exact Legal Name of Respondent (Company)** | **Year of Report** |
|---|---|
| Avista Corp. | **Dec. 31,** 2003 |

# FERC FORM NO. 1:
# ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER

| IDENTIFICATION | |
|---|---|
| 01 Exact Legal Name of Respondent<br>Avista Corp. | 02 Year of Report<br>Dec. 31, 2003 |
| 03 Previous Name and Date of Change *(if name changed during year)*<br>Avista Corp. / / | |
| 04 Address of Principal Office at End of Year *(Street, City, State, Zip Code)*<br>1411 E. Mission Ave, Spokane, WA 99202 | |
| 05 Name of Contact Person<br>M. K. Malquist | 06 Title of Contact Person<br>Senior VP & CFO |
| 07 Address of Contact Person *(Street, City, State, Zip Code)*<br>1411 E. Mission Ave, Spokane, WA 99202 | |

| 08 Telephone of Contact Person, *Including Area Code* | 09 This Report Is | 10 Date of Report *(Mo, Da, Yr)* |
|---|---|---|
| (509) 495-4943 | (1) [X] An Original (2) [ ] A Resubmission | 04/30/2004 |

**ATTESTATION**

The undersigned officer certifies that he/she has examined the accompanying report: that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 to and including December 31 of the year of the report.

| 01 Name | 03 Signature | 04 Date Signed *(Mo, Da, Yr)* |
|---|---|---|
| M. K. Malquist | M K Malquist | 04/30/2004 |
| 02 Title<br>Senior Vice President and CFO | | |

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".



Stockholders' Reports Check appropriate box:

[X] Four copies will be submitted

[ ] No annual report to stockholders is prepared

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

M. K. Malquist, Senior Vice President, Chief Financial Officer and Treasurer
1411 E. Mission Avenue
Spokane, WA 99202

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

State of Washington, Incorporated March 15, 1889

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not Applicable

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Electric service in the states of Washington, Idaho and Montana

Natural gas service in the states of Washington, Idaho, Oregon, and California

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) [ ] Yes...Enter the date when such independent accountant was initially engaged:
(2) [X] No

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions
1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

| Line No. | Name of Company Controlled (a) | Kind of Business (b) | Percent Voting Stock Owned (c) | Footnote Ref. (d) |
|---|---|---|---|---|
| 1 | Avista Capital | Parent company to all of the | 100 | |
| 2 | | Company's subsidiaries. | | |
| 3 | | | | |
| 4 | Avista Advantage, Inc. | Provides various energy | 100 | |
| 5 | | services, such as Internet- | | |
| 6 | | based specialty billing and | | |
| 7 | | information services. | | |
| 8 | | | | |
| 9 | Avista Communications, Inc. | An Integrated Communications | 100 | Currently inactive |
| 10 | | Provider (ICP) that provided | | |
| 11 | | local telecommunications | | |
| 12 | | solutions and designed, built | | |
| 13 | | and managed metropolitan | | |
| 14 | | area fiber optic networks. | | |
| 15 | | | | |
| 16 | Avista Development, Inc. | Nonoperating company which | 100 | |
| 17 | | maintains a small investment | | |
| 18 | | portfolio of real estate and | | |
| 19 | | other investments. | | |
| 20 | | | | |
| 21 | Avista Energy, Inc. | Wholesale electricity and | 99.8 | |
| 22 | | natural gas trading,marketing | | |
| 23 | | and resource management. | | |
| 24 | | | | |
| 25 | Avista Laboratories, Inc. | Develops proton exchange | 100 | |
| 26 | | membrane (PEM) fuel cell | | |
| 27 | | technology and fuel cell | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions
1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

| Line No. | Name of Company Controlled (a) | Kind of Business (b) | Percent Voting Stock Owned (c) | Footnote Ref. (d) |
|---|---|---|---|---|
| 1 | | components. | | |
| 2 | | | | |
| 3 | | | | |
| 4 | Avista Power, LLC | Owns generation assets. | 100 | |
| 5 | | | | |
| 6 | Avista Services, Inc. | Offers products/services to | 100 | Currently Inactive |
| 7 | | utility customers. | | |
| 8 | | | | |
| 9 | Avista Turbine Power, Inc. | Receives assignments of | 100 | |
| 10 | | purchase power agreements. | | |
| 11 | | | | |
| 12 | Avista Rathdrum, LLC | Owns electric | 100 | |
| 13 | | generation assets. | | |
| 14 | | | | |
| 15 | Avista Ventures, Inc. | Invests in emerging business | 100 | |
| 16 | | opportunities. | | |
| 17 | | | | |
| 18 | Pentzer Corporation | Within Avista Capital; | 100 | |
| 19 | | parent company of Advanced | | |
| 20 | | Manufacturing and | | |
| 21 | | Development. | | |
| 22 | | | | |
| 23 | Advanced Manufacturing and Development, Inc. | Performs custom sheet metal | 93 | |
| 24 | | manufacturing of electronic | | |
| 25 | | enclosures, parts and systems | | |
| 26 | | for the computer, telecom and | | |
| 27 | | medical industries. AM&D | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions
1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

| Line No. | Name of Company Controlled (a) | Kind of Business (b) | Percent Voting Stock Owned (c) | Footnote Ref. (d) |
|---|---|---|---|---|
| 1 | | also has a wood products | | |
| 2 | | division that provides | | |
| 3 | | complete fabrication and | | |
| 4 | | turnkey assembly for arcade | | |
| 5 | | games, kiosks, store fixtures | | |
| 6 | | and displays. | | |
| 7 | | | | |
| 8 | Avista Receivables Corporation | Acquires and sells accounts | 100 | |
| 9 | | receivable of Avista Corp. | | |
| 10 | | | | |
| 11 | Avista Energy Canada, Ltd. | A wholly owned subsidiary of | 100 | |
| 12 | | Avista Energy, Inc. that | | |
| 13 | | provides natural gas service | | |
| 14 | | to approximately 400 | | |
| 15 | | individual customers in | | |
| 16 | | British Columbia, Canada | | |
| 17 | INDIRECT CONTROL: | | | |
| 18 | Rathdrum Power, LLC | Developed and owns an | 49 | |
| 19 | | electric generation asset. | | |
| 20 | | | | |
| 21 | Coyote Springs 2, LLC | Developed and owns an | 50 | |
| 22 | | electric generation asset. | | |
| 23 | | | | |
| 24 | WP Funding LP | Owns an electric generation | 3 | Avista Corp. |
| 25 | | asset. | | consolidates under |
| 26 | | | | FIN 46 in 2003. |
| 27 | Spokane Energy, LLC | Marketing of energy. | 100 | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is $50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

| Line No. | Title (a) | Name of Officer (b) | Salary for Year (c) |
|---|---|---|---|
| 1 | Chairman of the Board, President, and | | |
| 2 | Chief Executive Officer | G. G. Ely | |
| 3 | | | |
| 4 | Senior Vice President and Chief Financial Officer | M. K. Malquist | |
| 5 | | | |
| 6 | Senior Vice President and General Counsel | D. J. Meyer | |
| 7 | | | |
| 8 | Senior Vice President (Retired 3/31/03) | J. E. Eliassen | |
| 9 | | | |
| 10 | Senior Vice President | S. L. Morris | |
| 11 | | | |
| 12 | Vice President (Title change effective 3/31/03) | R. R. Peterson | |
| 13 | | | |
| 14 | Vice President and Assistant to the Chairman of the | T. L. Syms | |
| 15 | Board (Title change effective 3/31/03) | | |
| 16 | | | |
| 17 | Vice President | R. D. Woodworth | |
| 18 | | | |
| 19 | Vice President and Controller | C. M. Burmeister - Smith | |
| 20 | | | |
| 21 | Vice President and Treasurer (Title change | D. A. Brukardt | |
| 22 | effective 3/31/03) | | |
| 23 | | | |
| 24 | Vice President | K. O. Norwood | |
| 25 | | | |
| 26 | Vice President and Corporate Secretary (Title change | K. S. Feltes | |
| 27 | effective 3/31/03) | | |
| 28 | | | |
| 29 | | | |
| 30 | | | |
| 31 | | | |
| 32 | | | |
| 33 | | | |
| 34 | | | |
| 35 | | | |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | | | |
| 40 | | | |
| 41 | | | |
| 42 | | | |
| 43 | | | |
| 44 | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

| Line No. | Name (and Title) of Director (a) | Principal Business Address (b) |
|---|---|---|
| 1 | David A. Clack*** | 325 E. Sprague Avenue, Spokane WA 99202 |
| 2 | | |
| 3 | Lura J. Powell | 2400 Stevens Dr., Suite B, Richland, WA 99352 |
| 4 | | |
| 5 | R. John Taylor*** | 111 Main Street, Lewiston ID 83501 |
| 6 | | |
| 7 | Sarah M. R. (Sally) Jewell (Completed term 5/8/03) | 6750 S. 228th Street, Kent WA 98032 |
| 8 | | |
| 9 | John F. Kelly | 4915 E. Doubletree Ranch Rd., Paradise Valley, AZ 85253 |
| 10 | | |
| 11 | Jack W. Gustavel | P. O. Box J, Coeur d' Alene, ID 83816 |
| 12 | | |
| 13 | Jessie J. Knight, Jr. | Emerald Plaza, 402 W. Broadway, Suite 1000, San Diego, CA |
| 14 | | 92101 |
| 15 | | |
| 16 | Erik J. Anderson | 801 Second Ave 13th Floor, Seattle WA 98104 |
| 17 | | |
| 18 | Kristianne Blake*** | P.O. Box 28338, Spokane WA 99228 |
| 19 | | |
| 20 | Gary G. Ely** | 1411 E. Mission Ave, Spokane, WA 99202 |
| 21 | (Chairman, President, & CEO) | |
| 22 | | |
| 23 | Roy Lewis Eiguren | P.O. Box 2720, Boise, ID 83701 |
| 24 | | |
| 25 | | |
| 26 | | |
| 27 | | |
| 28 | | |
| 29 | | |
| 30 | | |
| 31 | | |
| 32 | | |
| 33 | | |
| 34 | | |
| 35 | | |
| 36 | | |
| 37 | | |
| 38 | | |
| 39 | | |
| 40 | | |
| 41 | | |
| 42 | | |
| 43 | | |
| 44 | | |
| 45 | | |
| 46 | | |
| 47 | | |
| 48 | | |

| Name of Respondent | This Report Is: | Date of Report | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.

PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION.

1. None
2. None
3. None
4. None
5. None
6. In September 2003, the Company issued $45.0 million of 6.125 percent First Mortgage Bonds due in 2013. This debt was issued under a registration statement filed on Form S-3 with the Securities and Exchange Commission for up to $150.0 million of secured or unsecured debt securities. The $150.0 million registration statement was approved by the WUTC under docket UE-031031, the IPUC under case #AVU-E-03-03 and the OPUC under docket UF-4198. Reference is made to Notes 3, 12, 14, and 17 of Notes to Financial Statements, Page 122 of this Report.
7. None
8. Average annual wage increases were 2.9% in 2003 for non-exempt personnel. Annual average wage increases were 3.1% for exempt employees. Bargaining unit employees were granted increases of 3.0%.
9. Reference is made to Note 23 of Notes to Financial Statements, Page 122 of this Report.
10. None.
11. N/A
12. See Page 122 of this Report.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

| Line No. | Title of Account (a) | Ref. Page No. (b) | Balance at Beginning of Year (c) | Balance at End of Year (d) |
|---|---|---|---|---|
| 1 | **UTILITY PLANT** | | | |
| 2 | Utility Plant (101-106, 114) | 200-201 | 2,370,810,931 | 2,544,618,721 |
| 3 | Construction Work in Progress (107) | 200-201 | 17,581,119 | 49,615,389 |
| 4 | TOTAL Utility Plant (Enter Total of lines 2 and 3) | | 2,388,392,050 | 2,594,234,110 |
| 5 | (Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115) | 200-201 | 824,688,269 | 886,846,714 |
| 6 | Net Utility Plant (Enter Total of line 4 less 5) | | 1,563,703,781 | 1,707,387,396 |
| 7 | Nuclear Fuel (120.1-120.4, 120.6) | 202-203 | 0 | 0 |
| 8 | (Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5) | 202-203 | 0 | 0 |
| 9 | Net Nuclear Fuel (Enter Total of line 7 less 8) | | 0 | 0 |
| 10 | Net Utility Plant (Enter Total of lines 6 and 9) | | 1,563,703,781 | 1,707,387,396 |
| 11 | Utility Plant Adjustments (116) | 122 | 0 | 0 |
| 12 | Gas Stored Underground - Noncurrent (117) | | 0 | 0 |
| 13 | **OTHER PROPERTY AND INVESTMENTS** | | | |
| 14 | Nonutility Property (121) | | 3,156,010 | 3,264,833 |
| 15 | (Less) Accum. Prov. for Depr. and Amort. (122) | | 107,826 | 118,011 |
| 16 | Investments in Associated Companies (123) | | 0 | 0 |
| 17 | Investment in Subsidiary Companies (123.1) | 224-225 | 256,737,740 | 255,904,488 |
| 18 | (For Cost of Account 123.1, See Footnote Page 224, line 42) | | | |
| 19 | Noncurrent Portion of Allowances | 228-229 | 0 | 0 |
| 20 | Other Investments (124) | | 46,498,833 | 55,738,128 |
| 21 | Special Funds (125-128) | | 11,182,354 | 16,429,928 |
| 22 | TOTAL Other Property and Investments (Total of lines 14-17,19-21) | | 317,467,111 | 331,219,366 |
| 23 | **CURRENT AND ACCRUED ASSETS** | | | |
| 24 | Cash (131) | | 10,048,633 | -2,136,438 |
| 25 | Special Deposits (132-134) | | 2,465,146 | 0 |
| 26 | Working Fund (135) | | 384,217 | 577,122 |
| 27 | Temporary Cash Investments (136) | | 24,126,777 | 21,143,327 |
| 28 | Notes Receivable (141) | | 0 | 0 |
| 29 | Customer Accounts Receivable (142) | | 28,898,856 | 45,726,942 |
| 30 | Other Accounts Receivable (143) | | 4,238,495 | 4,175,943 |
| 31 | (Less) Accum. Prov. for Uncollectible Acct.-Credit (144) | | 2,688,665 | 2,281,537 |
| 32 | Notes Receivable from Associated Companies (145) | | 137,275,825 | 40,018,082 |
| 33 | Accounts Receivable from Assoc. Companies (146) | | 1,791,870 | 10,855 |
| 34 | Fuel Stock (151) | 227 | 3,261,065 | 2,395,349 |
| 35 | Fuel Stock Expenses Undistributed (152) | 227 | 0 | 0 |
| 36 | Residuals (Elec) and Extracted Products (153) | 227 | 0 | 0 |
| 37 | Plant Materials and Operating Supplies (154) | 227 | 8,449,512 | 9,522,082 |
| 38 | Merchandise (155) | 227 | 0 | 0 |
| 39 | Other Materials and Supplies (156) | 227 | 0 | 0 |
| 40 | Nuclear Materials Held for Sale (157) | 202-203/227 | 0 | 0 |
| 41 | Allowances (158.1 and 158.2) | 228-229 | 0 | 0 |
| 42 | (Less) Noncurrent Portion of Allowances | | 0 | 0 |
| 43 | Stores Expense Undistributed (163) | 227 | 494,542 | -496,415 |
| 44 | Gas Stored Underground - Current (164.1) | | 7,563,672 | 8,176,453 |
| 45 | Liquefied Natural Gas Stored and Held for Processing (164.2-164.3) | | 563,856 | 640,745 |
| 46 | Prepayments (165) | | 2,916,606 | 1,068,826 |
| 47 | Advances for Gas (166-167) | | 0 | 0 |
| 48 | Interest and Dividends Receivable (171) | | 27,487 | 961 |
| 49 | Rents Receivable (172) | | 676,514 | 459,233 |
| 50 | Accrued Utility Revenues (173) | | 0 | 0 |
| 51 | Miscellaneous Current and Accrued Assets (174) | | 322,206 | 610,557 |
| 52 | Derivative Instrument Assets (175) | | 0 | 0 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

| Line No. | Title of Account (a) | Ref. Page No. (b) | Balance at Beginning of Year (c) | Balance at End of Year (d) |
|---|---|---|---|---|
| 53 | Derivative Instrument Assets - Hedges (176) | | 60,322,238 | 39,499,770 |
| 54 | TOTAL Current and Accrued Assets (Enter Total of lines 24 thru 53) | | 291,138,852 | 169,111,857 |
| 55 | **DEFERRED DEBITS** | | | |
| 56 | Unamortized Debt Expenses (181) | | 21,921,640 | 20,113,211 |
| 57 | Extraordinary Property Losses (182.1) | 230 | 0 | 0 |
| 58 | Unrecovered Plant and Regulatory Study Costs (182.2) | 230 | 0 | 0 |
| 59 | Other Regulatory Assets (182.3) | 232 | 248,746,931 | 239,863,731 |
| 60 | Prelim. Survey and Investigation Charges (Electric) (183) | | 12,130,418 | 12,156,159 |
| 61 | Prelim. Sur. and Invest. Charges (Gas) (183.1, 183.2) | | 0 | 0 |
| 62 | Clearing Accounts (184) | | 1,416,423 | 1,510,244 |
| 63 | Temporary Facilities (185) | | 0 | 0 |
| 64 | Miscellaneous Deferred Debits (186) | 233 | 81,406,921 | 86,083,253 |
| 65 | Def. Losses from Disposition of Utility Plt. (187) | | 0 | 0 |
| 66 | Research, Devel. and Demonstration Expend. (188) | 352-353 | 0 | 0 |
| 67 | Unamortized Loss on Reaquired Debt (189) | | 29,206,730 | 28,712,173 |
| 68 | Accumulated Deferred Income Taxes (190) | 234 | 37,595,304 | 34,222,386 |
| 69 | Unrecovered Purchased Gas Costs (191) | | 11,514,486 | 15,352,084 |
| 70 | TOTAL Deferred Debits (Enter Total of lines 56 thru 69) | | 443,938,853 | 438,013,241 |
| 71 | TOTAL Assets and Other Debits (Enter Total of lines 10,11,12,22,54,70) | | 2,616,248,597 | 2,645,731,860 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

| Line No. | Title of Account (a) | Ref. Page No. (b) | Balance at Beginning of Year (c) | Balance at End of Year (d) |
|---|---|---|---|---|
| 1 | **PROPRIETARY CAPITAL** | | | |
| 2 | Common Stock Issued (201) | 250-251 | 623,091,721 | 626,787,347 |
| 3 | Preferred Stock Issued (204) | 250-251 | 33,250,000 | 0 |
| 4 | Capital Stock Subscribed (202, 205) | 252 | 0 | 0 |
| 5 | Stock Liability for Conversion (203, 206) | 252 | 0 | 0 |
| 6 | Premium on Capital Stock (207) | 252 | 0 | 0 |
| 7 | Other Paid-In Capital (208-211) | 253 | 0 | 0 |
| 8 | Installments Received on Capital Stock (212) | 252 | 0 | 0 |
| 9 | (Less) Discount on Capital Stock (213) | 254 | 0 | 0 |
| 10 | (Less) Capital Stock Expense (214) | 254 | 11,927,830 | 10,949,795 |
| 11 | Retained Earnings (215, 215.1, 216) | 118-119 | 60,386,146 | 81,854,919 |
| 12 | Unappropriated Undistributed Subsidiary Earnings (216.1) | 118-119 | 65,750,804 | 64,022,832 |
| 13 | (Less) Reaquired Capital Stock (217) | 250-251 | 0 | 0 |
| 14 | Accumulated Other Comprehensive Income (219) | 122(a)(b) | -18,809,177 | -9,355,089 |
| 15 | TOTAL Proprietary Capital (Enter Total of lines 2 thru 14) | | 751,741,664 | 752,360,214 |
| 16 | **LONG-TERM DEBT** | | | |
| 17 | Bonds (221) | 256-257 | 401,300,000 | 431,300,000 |
| 18 | (Less) Reaquired Bonds (222) | 256-257 | 0 | 0 |
| 19 | Advances from Associated Companies (223) | 256-257 | 1,051,442 | 1,434,151 |
| 20 | Other Long-Term Debt (224) | 256-257 | 703,778,874 | 689,935,336 |
| 21 | Unamortized Premium on Long-Term Debt (225) | | 0 | 0 |
| 22 | (Less) Unamortized Discount on Long-Term Debt-Debit (226) | | 2,160,866 | 1,994,486 |
| 23 | TOTAL Long-Term Debt (Enter Total of lines 17 thru 22) | | 1,103,969,450 | 1,120,675,001 |
| 24 | **OTHER NONCURRENT LIABILITIES** | | | |
| 25 | Obligations Under Capital Leases - Noncurrent (227) | | 621,526 | 3,440,569 |
| 26 | Accumulated Provision for Property Insurance (228.1) | | 0 | 0 |
| 27 | Accumulated Provision for Injuries and Damages (228.2) | | 1,446,348 | 1,299,994 |
| 28 | Accumulated Provision for Pensions and Benefits (228.3) | | 50,209,349 | 35,897,551 |
| 29 | Accumulated Miscellaneous Operating Provisions (228.4) | | 0 | 0 |
| 30 | Accumulated Provision for Rate Refunds (229) | | 0 | 0 |
| 31 | Asset Retirement Obligations (230) | | 0 | 659,307 |
| 32 | TOTAL OTHER Noncurrent Liabilities (Enter Total of lines 25 thru 31) | | 52,277,223 | 41,297,421 |
| 33 | **CURRENT AND ACCRUED LIABILITIES** | | | |
| 34 | Notes Payable (231) | | 0 | 0 |
| 35 | Accounts Payable (232) | | 36,247,518 | 48,421,782 |
| 36 | Notes Payable to Associated Companies (233) | | 0 | 0 |
| 37 | Accounts Payable to Associated Companies (234) | | 18,524,753 | 19,845,113 |
| 38 | Customer Deposits (235) | | 4,533,815 | 4,452,327 |
| 39 | Taxes Accrued (236) | 262-263 | 22,522,183 | 9,241,055 |
| 40 | Interest Accrued (237) | | 20,307,075 | 18,484,237 |
| 41 | Dividends Declared (238) | | 0 | -9 |
| 42 | Matured Long-Term Debt (239) | | 0 | 0 |
| 43 | Matured Interest (240) | | 0 | 0 |
| 44 | Tax Collections Payable (241) | | -754 | -23,665 |
| 45 | Miscellaneous Current and Accrued Liabilities (242) | | 20,279,696 | 28,275,414 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)(Continued)

| Line No. | Title of Account (a) | Ref. Page No. (b) | Balance at Beginning of Year (c) | Balance at End of Year (d) |
|---|---|---|---|---|
| 46 | Obligations Under Capital Leases-Current (243) | | 0 | 0 |
| 47 | Derivative Instrument Liabilities (244) | | 0 | 0 |
| 48 | Derivative Instrument Liabilities - Hedges (245) | | 50,057,633 | 36,057,271 |
| 49 | TOTAL Current & Accrued Liabilities (Enter Total of lines 34 thru 48) | | 172,471,919 | 164,753,525 |
| 50 | **DEFERRED CREDITS** | | | |
| 51 | Customer Advances for Construction (252) | | 913,115 | 978,187 |
| 52 | Accumulated Deferred Investment Tax Credits (255) | 266-267 | 669,576 | 620,268 |
| 53 | Deferred Gains from Disposition of Utility Plant (256) | | 0 | 0 |
| 54 | Other Deferred Credits (253) | 269 | 29,705,406 | 34,008,549 |
| 55 | Other Regulatory Liabilities (254) | 278 | 20,174,502 | 13,027,706 |
| 56 | Unamortized Gain on Reaquired Debt (257) | | 4,118,795 | 4,696,571 |
| 57 | Accumulated Deferred Income Taxes (281-283) | 272-277 | 480,206,947 | 513,314,418 |
| 58 | TOTAL Deferred Credits (Enter Total of lines 51 thru 57) | | 535,788,341 | 566,645,699 |
| 59 | | | 0 | 0 |
| 60 | | | 0 | 0 |
| 61 | | | 0 | 0 |
| 62 | | | 0 | 0 |
| 63 | | | 0 | 0 |
| 64 | | | 0 | 0 |
| 65 | | | 0 | 0 |
| 66 | | | 0 | 0 |
| 67 | | | 0 | 0 |
| 68 | | | 0 | 0 |
| 69 | | | 0 | 0 |
| 70 | | | 0 | 0 |
| 71 | | | 0 | 0 |
| 72 | TOTAL Liab and Other Credits (Enter Total of lines 15,23,32,49,58) | | 2,616,248,597 | 2,645,731,860 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another Utility column (i, k, m, o) in a similar manner to a utility department. Spread the amount(s) over Lines 02 thru 24 as appropriate. Include these amounts in columns (c) and (d) totals.
2. Report amounts in account 414, Other Utility Operating income, in the same manner as accounts 412 and 413 above.
3. Report data for lines 8, 10, and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
4. Use pages 122-123 for important notes regarding the statement of income or any account thereof.
5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.
6. Give concise explanations concerning significant amounts of any refunds made or received during the year

| Line No. | Account (a) | (Ref.) Page No. (b) | TOTAL Current Year (c) | TOTAL Previous Year (d) |
|---|---|---|---|---|
| 1 | UTILITY OPERATING INCOME | | | |
| 2 | Operating Revenues (400) | 300-301 | 929,400,226 | 893,963,515 |
| 3 | Operating Expenses | | | |
| 4 | Operation Expenses (401) | 320-323 | 628,688,576 | 606,132,796 |
| 5 | Maintenance Expenses (402) | 320-323 | 30,395,326 | 23,968,182 |
| 6 | Depreciation Expense (403) | 336-337 | 65,752,096 | 60,293,549 |
| 7 | Depreciation Expense for Asset Retirement Costs (403.1) | 336-337 | | |
| 8 | Amort. & Depl. of Utility Plant (404-405) | 336-337 | 8,151,368 | 8,430,074 |
| 9 | Amort. of Utility Plant Acq. Adj. (406) | 336-337 | 99,048 | 99,048 |
| 10 | Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407) | | -3,693 | -3,582 |
| 11 | Amort. of Conversion Expenses (407) | | | |
| 12 | Regulatory Debits (407.3) | | 218,244 | 253,985 |
| 13 | (Less) Regulatory Credits (407.4) | | 10,449,403 | 17,987,205 |
| 14 | Taxes Other Than Income Taxes (408.1) | 262-263 | 60,791,111 | 63,597,147 |
| 15 | Income Taxes - Federal (409.1) | 262-263 | 22,613,266 | 34,872,176 |
| 16 | - Other (409.1) | 262-263 | 1,282,899 | 2,348,133 |
| 17 | Provision for Deferred Income Taxes (410.1) | 234, 272-277 | 5,291,061 | -7,069,837 |
| 18 | (Less) Provision for Deferred Income Taxes-Cr. (411.1) | 234, 272-277 | 4,678,097 | 5,080,399 |
| 19 | Investment Tax Credit Adj. - Net (411.4) | 266 | -49,308 | -49,308 |
| 20 | (Less) Gains from Disp. of Utility Plant (411.6) | | | |
| 21 | Losses from Disp. of Utility Plant (411.7) | | | |
| 22 | (Less) Gains from Disposition of Allowances (411.8) | | | |
| 23 | Losses from Disposition of Allowances (411.9) | | | |
| 24 | Accretion Expense (411.10) | | | |
| 25 | TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24) | | 808,102,494 | 769,804,759 |
| 26 | Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27 | | 121,297,732 | 124,158,756 |

STATEMENT OF INCOME FOR THE YEAR (Continued)

resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be included on pages 122-123.

8. Enter on page 123 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 26, and report the information in the blank space on page 123 or in a footnote.

| ELECTRIC UTILITY | | GAS UTILITY | | OTHER UTILITY | | Line No. |
|---|---|---|---|---|---|---|
| Current Year (e) | Previous Year (f) | Current Year (g) | Previous Year (h) | Current Year (i) | Previous Year (j) | |
| | | | | | | 1 |
| 652,111,450 | 584,141,003 | 277,288,776 | 309,822,512 | | | 2 |
| | | | | | | 3 |
| 406,888,146 | 353,588,329 | 221,800,430 | 252,544,467 | | | 4 |
| 25,258,364 | 19,988,552 | 5,136,962 | 3,979,630 | | | 5 |
| 50,578,273 | 46,180,880 | 15,173,823 | 14,112,669 | | | 6 |
| | | | | | | 7 |
| 6,790,075 | 7,497,026 | 1,361,293 | 933,048 | | | 8 |
| 99,048 | 99,048 | | | | | 9 |
| -3,693 | -3,582 | | | | | 10 |
| | | | | | | 11 |
| | | 218,244 | 253,985 | | | 12 |
| 10,449,403 | 17,987,205 | | | | | 13 |
| 43,903,386 | 43,185,433 | 16,887,725 | 20,411,714 | | | 14 |
| 25,776,211 | 25,158,719 | -3,162,945 | 9,713,457 | | | 15 |
| 972,732 | 1,430,132 | 310,167 | 918,001 | | | 16 |
| 1,172,553 | 2,201,171 | 4,118,508 | -9,271,008 | | | 17 |
| 4,554,927 | 4,997,556 | 123,170 | 82,843 | | | 18 |
| | | -49,308 | -49,308 | | | 19 |
| | | | | | | 20 |
| | | | | | | 21 |
| | | | | | | 22 |
| | | | | | | 23 |
| | | | | | | 24 |
| 546,430,765 | 476,340,947 | 261,671,729 | 293,463,812 | | | 25 |
| 105,680,685 | 107,800,056 | 15,617,047 | 16,358,700 | | | 26 |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

STATEMENT OF INCOME FOR THE YEAR (Continued)

| Line No. | OTHER UTILITY | | OTHER UTILITY | | OTHER UTILITY | |
|---|---|---|---|---|---|---|
| | Current Year (k) | Previous Year (l) | Current Year (m) | Previous Year (n) | Current Year (o) | Previous Year (p) |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | | | | | | |
| 14 | | | | | | |
| 15 | | | | | | |
| 16 | | | | | | |
| 17 | | | | | | |
| 18 | | | | | | |
| 19 | | | | | | |
| 20 | | | | | | |
| 21 | | | | | | |
| 22 | | | | | | |
| 23 | | | | | | |
| 24 | | | | | | |
| 25 | | | | | | |
| 26 | | | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## STATEMENT OF INCOME FOR THE YEAR (Continued)

| Line No. | Account<br>(a) | (Ref.) Page No.<br>(b) | TOTAL Current Year<br>(c) | TOTAL Previous Year<br>(d) |
|---|---|---|---|---|
| 27 | Net Utility Operating Income (Carried forward from page 114) | | 121,297,732 | 124,158,756 |
| 28 | Other Income and Deductions | | [redacted] | |
| 29 | Other Income | | [redacted] | |
| 30 | Nonutilty Operating Income | | [redacted] | |
| 31 | Revenues From Merchandising, Jobbing and Contract Work (415) | | 1,789 | 574,461 |
| 32 | (Less) Costs and Exp. of Merchandising, Job. & Contract Work (416) | | -17,014 | 705,555 |
| 33 | Revenues From Nonutility Operations (417) | | -130 | 361,455 |
| 34 | (Less) Expenses of Nonutility Operations (417.1) | | 1,609,187 | 1,914,750 |
| 35 | Nonoperating Rental Income (418) | | -4,377 | -3,022 |
| 36 | Equity in Earnings of Subsidiary Companies (418.1) | 119 | 9,156,784 | -4,212,474 |
| 37 | Interest and Dividend Income (419) | | 12,050,635 | 23,649,106 |
| 38 | Allowance for Other Funds Used During Construction (419.1) | | 853,013 | 768,323 |
| 39 | Miscellaneous Nonoperating Income (421) | | | 1,922,152 |
| 40 | Gain on Disposition of Property (421.1) | | 89,613 | 210,724 |
| 41 | TOTAL Other Income (Enter Total of lines 31 thru 40) | | 20,555,154 | 20,650,420 |
| 42 | Other Income Deductions | | [redacted] | |
| 43 | Loss on Disposition of Property (421.2) | | 282,852 | 68,722 |
| 44 | Miscellaneous Amortization (425) | 340 | 1,323,416 | 1,323,416 |
| 45 | Miscellaneous Income Deductions (426.1-426.5) | 340 | 3,860,068 | 2,537,596 |
| 46 | TOTAL Other Income Deductions (Total of lines 43 thru 45) | | 5,466,336 | 3,929,734 |
| 47 | Taxes Applic. to Other Income and Deductions | | [redacted] | |
| 48 | Taxes Other Than Income Taxes (408.2) | 262-263 | -97,503 | 38,000 |
| 49 | Income Taxes-Federal (409.2) | 262-263 | -129,828 | 3,329,302 |
| 50 | Income Taxes-Other (409.2) | 262-263 | -481,773 | -464,555 |
| 51 | Provision for Deferred Inc. Taxes (410.2) | 234, 272-277 | 2,968,974 | 3,845,351 |
| 52 | (Less) Provision for Deferred Income Taxes-Cr. (411.2) | 234, 272-277 | -66,775 | -406,167 |
| 53 | Investment Tax Credit Adj.-Net (411.5) | | | |
| 54 | (Less) Investment Tax Credits (420) | | | |
| 55 | TOTAL Taxes on Other Income and Deduct. (Total of 48 thru 54) | | 2,326,645 | 7,154,265 |
| 56 | Net Other Income and Deductions (Enter Total lines 41, 46, 55) | | 12,762,173 | 9,566,421 |
| 57 | Interest Charges | | [redacted] | |
| 58 | Interest on Long-Term Debt (427) | | 82,501,596 | 93,113,627 |
| 59 | Amort. of Debt Disc. and Expense (428) | | 3,907,423 | 5,538,126 |
| 60 | Amortization of Loss on Reaquired Debt (428.1) | | 4,064,380 | 3,323,214 |
| 61 | (Less) Amort. of Premium on Debt-Credit (429) | | | |
| 62 | (Less) Amortization of Gain on Reaquired Debt-Credit (429.1) | | | |
| 63 | Interest on Debt to Assoc. Companies (430) | 340 | 320,268 | |
| 64 | Other Interest Expense (431) | 340 | | 1,621,673 |
| 65 | (Less) Allowance for Borrowed Funds Used During Construction-Cr. (432) | | 1,238,014 | 1,178,216 |
| 66 | Net Interest Charges (Enter Total of lines 58 thru 65) | | 89,555,653 | 102,418,424 |
| 67 | Income Before Extraordinary Items (Total of lines 27, 56 and 66) | | 44,504,252 | 31,306,753 |
| 68 | Extraordinary Items | | [redacted] | |
| 69 | Extraordinary Income (434) | | | |
| 70 | (Less) Extraordinary Deductions (435) | | | |
| 71 | Net Extraordinary Items (Enter Total of line 69 less line 70) | | | |
| 72 | Income Taxes-Federal and Other (409.3) | 262-263 | | |
| 73 | Extraordinary Items After Taxes (Enter Total of line 71 less line 72) | | | |
| 74 | Net Income (Enter Total of lines 67 and 73) | | 44,504,252 | 31,306,753 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
3. State the purpose and amount of each reservation or appropriation of retained earnings.
4. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
5. Show dividends for each class and series of capital stock.
6. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
8. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

| Line No. | Item (a) | Contra Primary Account Affected (b) | Amount (c) |
|---|---|---|---|
| | UNAPPROPRIATED RETAINED EARNINGS (Account 216) | | |
| 1 | Balance-Beginning of Year | | 122,942,102 |
| 2 | Changes | | |
| 3 | Adjustments to Retained Earnings (Account 439) | | |
| 4 | Allocation of Retained Earnings to Series L no longer required | | -64,104,077 |
| 5 | Stock Options Exercised adjustment | | -144,553 |
| 6 | ESOP and other adjustment | | 170,109 |
| 7 | Dividends received from Subsidiaries | | 9,990,037 |
| 8 | | | |
| 9 | TOTAL Credits to Retained Earnings (Acct. 439) | | -54,088,484 |
| 10 | | | |
| 11 | | | |
| 12 | | | |
| 13 | | | |
| 14 | | | |
| 15 | TOTAL Debits to Retained Earnings (Acct. 439) | | |
| 16 | Balance Transferred from Income (Account 433 less Account 418.1) | | 35,347,468 |
| 17 | Appropriations of Retained Earnings (Acct. 436) | | |
| 18 | | | |
| 19 | | | |
| 20 | | | |
| 21 | | | |
| 22 | TOTAL Appropriations of Retained Earnings (Acct. 436) | | |
| 23 | Dividends Declared-Preferred Stock (Account 437) | | |
| 24 | | | -1,155,438 |
| 25 | | | |
| 26 | | | |
| 27 | | | |
| 28 | | | |
| 29 | TOTAL Dividends Declared-Preferred Stock (Acct. 437) | | -1,155,438 |
| 30 | Dividends Declared-Common Stock (Account 438) | | |
| 31 | | | -23,633,569 |
| 32 | | | |
| 33 | | | |
| 34 | | | |
| 35 | | | |
| 36 | TOTAL Dividends Declared-Common Stock (Acct. 438) | | -23,633,569 |
| 37 | Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings | | 894,719 |
| 38 | Balance - End of Year (Total 1,9,15,16,22,29,36,37) | | 80,306,798 |
| | APPROPRIATED RETAINED EARNINGS (Account 215) | | |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
3. State the purpose and amount of each reservation or appropriation of retained earnings.
4. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
5. Show dividends for each class and series of capital stock.
6. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
8. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

| Line No. | Item (a) | Contra Primary Account Affected (b) | Amount (c) |
|---|---|---|---|
| 39 | | | 1,548,121 |
| 40 | | | |
| 41 | | | |
| 42 | | | |
| 43 | | | |
| 44 | | | |
| 45 | TOTAL Appropriated Retained Earnings (Account 215) | | 1,548,121 |
| | APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1) | | |
| 46 | TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1) | | |
| 47 | TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46) | | 1,548,121 |
| 48 | TOTAL Retained Earnings (Account 215, 215.1, 216) (Total 38, 47) | | 81,854,919 |
| | UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1) | | |
| 49 | Balance-Beginning of Year (Debit or Credit) | | 65,750,804 |
| 50 | Equity in Earnings for Year (Credit) (Account 418.1) | | 9,156,784 |
| 51 | (Less) Dividends Received (Debit) | | 9,990,037 |
| 52 | Subsidiary expense in Account 417.12 | | -894,719 |
| 53 | Balance-End of Year (Total lines 49 thru 52) | | 64,022,832 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondents annual stockholders report are applicable to this statement, such notes should be included in page 122-123. Information about non-cash investing and financing activities should be provided on Page 122-123. Provide also on pages 122-123 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.
2. Under "Other" specify significant amounts and group others.
3. Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on Page 122-123 the amount of interest paid (net of amounts capitalized) and income taxes paid.

| Line No. | Description (See Instruction No. 5 for Explanation of Codes)<br>(a) | Amounts<br>(b) |
|---|---|---|
| 1 | Net Cash Flow from Operating Activities: | |
| 2 | Net Income | 44,504,252 |
| 3 | Noncash Charges (Credits) to Income: | |
| 4 | Depreciation and Depletion | 73,998,819 |
| 5 | Power and natural gas deferrals | -5,535,312 |
| 6 | Amortization of debt expense | 7,971,803 |
| 7 | Amortization of investment in exchange power | 2,450,004 |
| 8 | Deferred Income Taxes (Net) | 38,791,463 |
| 9 | Investment Tax Credit Adjustment (Net) | -49,308 |
| 10 | Net (Increase) Decrease in Receivables | -18,650,796 |
| 11 | Net (Increase) Decrease in Inventory | 94,433 |
| 12 | Net (Increase) Decrease in Allowances Inventory | |
| 13 | Net Increase (Decrease) in Payables and Accrued Expenses | 8,167,229 |
| 14 | Net (Increase) Decrease in Other Regulatory Assets | -630,827 |
| 15 | Net Increase (Decrease) in Other Regulatory Liabilities | 334,617 |
| 16 | (Less) Allowance for Other Funds Used During Construction | 2,192,697 |
| 17 | (Less) Undistributed Earnings from Subsidiary Companies | 9,156,784 |
| 18 | Other current assets | 1,803,240 |
| 19 | ESOP dividends | 167,506 |
| 20 | Allowance for uncollectible receivables | -407,128 |
| 21 | Other non-current assets and liabilities | 2,849,925 |
| 22 | Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21) | 144,510,439 |
| 23 | | |
| 24 | Cash Flows from Investment Activities: | |
| 25 | Construction and Acquisition of Plant (including land): | |
| 26 | Gross Additions to Utility Plant (less nuclear fuel) | -105,617,593 |
| 27 | Gross Additions to Nuclear Fuel | |
| 28 | Gross Additions to Common Utility Plant | |
| 29 | Gross Additions to Nonutility Plant | -581,511 |
| 30 | (Less) Allowance for Other Funds Used During Construction | |
| 31 | Other (provide details in footnote): | |
| 32 | Other Property and Investments | -2,848,976 |
| 33 | | |
| 34 | Cash Outflows for Plant (Total of lines 26 thru 33) | -109,048,080 |
| 35 | | |
| 36 | Acquisition of Other Noncurrent Assets (d) | |
| 37 | Proceeds from Disposal of Noncurrent Assets (d) | 482,872 |
| 38 | | |
| 39 | Investments in and Advances to Assoc. and Subsidiary Companies | -7,344,568 |
| 40 | Contributions and Advances from Assoc. and Subsidiary Companies | |
| 41 | Disposition of Investments in (and Advances to) | |
| 42 | Associated and Subsidiary Companies | |
| 43 | Dividends from Subsidiary Companies | 9,990,036 |
| 44 | Purchase of Investment Securities (a) | |
| 45 | Proceeds from Sales of Investment Securities (a) | |
| | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## STATEMENT OF CASH FLOWS

4. Investing Activities include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on pages 122-123. Do not include on this statement the dollar amount of Leases capitalized per US of A General Instruction 20; instead provide a reconciliation of the dollar amount of Leases capitalized with the plant cost on pages 122-123.

5. Codes used:

(a) Net proceeds or payments.
(b) Bonds, debentures and other long-term debt.
(c) Include commercial paper.
(d) Identify separately such items as investments, fixed assets, intangibles, etc.

6. Enter on pages 122-123 clarifications and explanations.

| Line No. | Description (See Instruction No. 5 for Explanation of Codes)<br>(a) | Amounts<br>(b) |
|---|---|---|
| 46 | Loans Made or Purchased | -73,000 |
| 47 | Collections on Loans | 6,775 |
| 48 | | |
| 49 | Net (Increase) Decrease in Receivables | |
| 50 | Net (Increase ) Decrease in Inventory | |
| 51 | Net (Increase) Decrease in Allowances Held for Speculation | |
| 52 | Net Increase (Decrease) in Payables and Accrued Expenses | |
| 53 | Other (provide details in footnote): | |
| 54 | | |
| 55 | | |
| 56 | Net Cash Provided by (Used in) Investing Activities | |
| 57 | Total of lines 34 thru 55) | -105,985,965 |
| 58 | | |
| 59 | Cash Flows from Financing Activities: | |
| 60 | Proceeds from Issuance of: | |
| 61 | Long-Term Debt (b) | 44,795,250 |
| 62 | Preferred Stock | |
| 63 | Common Stock | 3,775,591 |
| 64 | Other (provide details in footnote): | |
| 65 | | |
| 66 | Net Increase in Short-Term Debt (c) | 50,000,000 |
| 67 | Other (provide details in footnote): | |
| 68 | | |
| 69 | | |
| 70 | Cash Provided by Outside Sources (Total 61 thru 69) | 98,570,841 |
| 71 | | |
| 72 | Payments for Retirement of: | |
| 73 | Long-term Debt (b) | -124,033,279 |
| 74 | Preferred Stock | -1,574,266 |
| 75 | Common Stock | |
| 76 | Other (provide details in footnote): | |
| 77 | Premiums paid for the repurchase of long-term debt | -1,709,769 |
| 78 | Net Decrease in Short-Term Debt (c) | |
| 79 | Borrowing issuance costs | -2,429,756 |
| 80 | Dividends on Preferred Stock | -1,155,438 |
| 81 | Dividends on Common Stock | -23,633,569 |
| 82 | Net Cash Provided by (Used in) Financing Activities | |
| 83 | (Total of lines 70 thru 81) | -55,965,236 |
| 84 | | |
| 85 | Net Increase (Decrease) in Cash and Cash Equivalents | |
| 86 | (Total of lines 22,57 and 83) | -17,440,762 |
| 87 | | |
| 88 | Cash and Cash Equivalents at Beginning of Year | 37,024,773 |
| 89 | | |
| 90 | Cash and Cash Equivalents at End of Year | 19,584,011 |
| | | |

| Name of Respondent | This Report Is: | Date of Report | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Cormmission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

# NOTES TO FINANCIAL STATEMENTS

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Nature of Business***

Avista Corporation (Avista Corp. or the Company) is an energy company engaged in the generation, transmission and distribution of energy as well as other energy-related businesses. Avista Utilities is an operating division of Avista Corp. comprising the regulated utility operations. Avista Utilities generates, transmits and distributes electricity in parts of eastern Washington and northern Idaho. Avista Utilities also provides natural gas distribution service in parts of eastern Washington, northern Idaho, northeast and southwest Oregon and in the South Lake Tahoe region of California. Avista Capital, a wholly owned subsidiary of Avista Corp., is the parent company of all of the subsidiary companies in the non-utility business segments.

The Company's operations are exposed to risks including, but not limited to, the price and supply of purchased power, fuel and natural gas, regulatory allowance of power and natural gas costs and capital investments, streamflow and weather conditions, the effects of changes in legislative and governmental regulations, changes in regulatory requirements, availability of generation facilities, competition, technology and availability of funding. Also, like other utilities, the Company's facilities and operations may be exposed to terrorism risks or other malicious acts. In addition, the energy business exposes the Company to the financial, liquidity, credit and commodity price risks associated with wholesale purchases and sales.

***Basis of Reporting***

The financial statements include the assets, liabilities, revenues and expenses of the Company. As required by the Federal Energy Regulatory Commission, the Company accounts for its investment in majority-owned subsidiaries on the equity method rather than consolidating the assets, liabilities, revenues, and expenses of these subsidiaries, as required by accounting principles generally accepted in the United States of America. The accompanying financial statements include the Company's proportionate share of utility plant and related operations resulting from its interests in jointly owned plants (See Note 7).

***Use of Estimates***

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements. Significant estimates include determining unbilled revenues, the market value of energy commodity assets and liabilities, pension and other postretirement benefit plan liabilities, and contingent liabilities. Changes in these estimates and assumptions are considered reasonably possible and may have a material effect on the financial statements and thus actual results could differ from the amounts reported and disclosed herein.

***System of Accounts***

The accounting records of the Company's utility operations are maintained in accordance with the uniform system of accounts prescribed by the Federal Energy Regulatory Commission (FERC) and adopted by the appropriate state regulatory commissions.

***Regulation***

The Company is subject to state regulation in Washington, Idaho, Montana, Oregon and California. The Company is subject to federal regulation by the FERC.

***Avista Utilities Operating Revenues***

Operating revenues for Avista Utilities related to the sale of energy are generally recorded when service is rendered or energy is delivered to customers. The determination of the energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each month, the amount of energy delivered to customers since the date of the last meter reading is estimated and the corresponding unbilled revenue is estimated and recorded. Accounts receivable includes unbilled energy revenues of $9.0 million (net of $47.0 million of unbilled receivables sold) and $6.1 million (net of $40.9 million of unbilled receivables sold) as of December 31, 2003 and 2002, respectively. See Note 3 for information with respect to the sale of accounts receivable.

***Advertising Expenses***

The Company expenses advertising costs as incurred. Advertising expenses totaled $1.4 million, $1.3 million and $1.8 million in 2003, 2002 and 2001, respectively.

***Taxes other than income taxes***

Taxes other than income taxes include state excise taxes, city occupational and franchise taxes, real and personal property taxes and certain other taxes not based on net income. These taxes are generally based on revenues or the value of property. Utility related taxes collected from customers are recorded as both operating revenue and expense and totaled $31.7 million, $33.1 million and $26.3 million in 2003, 2002 and 2001, respectively.

***Other Income-Net***

Other income-net consisted of the following items for the years ended December 31 (dollars in thousands):

| | 2003 | 2002 | 2001 |
|---|---|---|---|
| Interest income | $4,810 | $7,716 | $19,049 |
| Interest on power and natural gas deferrals | 8,361 | 9,597 | 12,995 |
| Impairment of non-operating assets | - | - | (8,240) |
| Net gain (loss) on the disposition of assets | (334) | (33) | 2,884 |
| Net gain (loss) on subsidiary investments | (1,207) | 2,084 | (180) |
| Minority interest | - | - | (656) |
| Other expense | (7,063) | (6,570) | (10,208) |
| Other income | 1,606 | 4,467 | 4,437 |
| Total | $6,173 | $17,261 | $20,081 |

***Income Taxes***

The Company and its eligible subsidiaries file consolidated federal income tax returns. Subsidiaries are charged or credited with the tax effects of their operations on a stand-alone basis. The Company's federal income tax returns were examined with all issues resolved, and all payments made, through the 2000 return.

The Company accounts for income taxes using the liability method. Under the liability method, a deferred tax asset or liability is determined based on the enacted tax rates that will be in effect when the differences between the financial statement carrying amounts and tax basis of existing assets and liabilities are expected to be reported in the Company's consolidated income tax returns. The deferred tax expense for the period is equal to the net change in the deferred tax asset and liability accounts from the beginning to the end of the period. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

***Stock-Based Compensation***

The Company follows the disclosure only provisions of SFAS No. 123, "Accounting for Stock-Based Compensation." Accordingly, employee stock options are accounted for under Accounting Principle Board Opinion (APB) No. 25, "Accounting for Stock Issued to Employees." Stock options are granted at exercise prices not less than the fair value of common stock on the date of grant. Under APB No. 25, no compensation expense is recognized pursuant to the Company's stock option plans.

If compensation expense for the Company's stock option plans were determined consistent with SFAS No. 123, net income and earnings per common share would have been the following pro forma amounts for the years ended December 31:

| | 2003 | 2002 | 2001 |
|---|---|---|---|
| Net income (dollars in thousands): | | | |
| As reported | $44,504 | $31,307 | $12,156 |
| Deduct: Total stock-based employee compensation expense determined under the fair value method for all awards, net of tax | 2,186 | 3,051 | 2,801 |
| Pro forma | $42,318 | $28,256 | $ 9,355 |
| Basic earnings per common share | | | |
| As reported | $0.90 | $0.60 | $0.21 |
| Pro forma | $0.85 | $0.54 | $0.15 |
| Diluted earnings per common share | | | |
| As reported | $0.89 | $0.60 | $0.20 |
| Pro forma | $0.85 | $0.54 | $0.15 |

***Comprehensive Income***

The Company's comprehensive income is comprised of net income and changes in the unfunded accumulated benefit obligation for the pension plan.

***Earnings Per Common Share***

Basic earnings per common share is computed by dividing income available for common stock by the weighted average number of common shares outstanding for the period. Diluted earnings per common share is calculated by dividing income available for common stock by diluted weighted average common shares outstanding during the period, including common stock equivalent shares outstanding using the treasury stock method, unless such shares are anti-dilutive. Common stock equivalent shares include shares issuable upon exercise of stock options, contingently issuable shares and restricted stock. See Note 21 for earnings per common share calculations.

***Cash and Cash Equivalents***

For the purposes of the Consolidated Statements of Cash Flows, the Company considers all temporary investments with a purchased maturity of three months or less to be cash equivalents. Cash and cash equivalents include cash deposits from counterparties. See Note 6 for further information with respect to cash deposits from counterparties.

***Allowance for Doubtful Accounts***

The Company maintains an allowance for doubtful accounts to provide for estimated and potential losses on accounts receivable. The Company determines the allowance for utility and other customer accounts receivable based on historical write-offs as compared to accounts receivable and operating revenues. Additionally, the Company establishes specific allowances for certain individual accounts. The following table documents the activity in the allowance for doubtful accounts during the years ended December 31 (dollars in thousands):

| | 2003 | 2002 | 2001 |
|---|---|---|---|
| Allowance as of the beginning of the year | $46,909 | $50,211 | $14,404 |
| Additions expensed during the year | 1,912 | 3,469 | 39,947 |
| Net deductions | (2,439) | (6,771) | (4,140) |
| Allowance as of the end of the year | $46,382 | $46,909 | $50,211 |

***Inventory***

Inventory consists primarily of materials and supplies, fuel stock and natural gas stored. Inventory is recorded at the lower of cost or market, primarily using the average cost method.

***Utility Plant in Service***

The cost of additions to utility plant in service, including an allowance for funds used during construction and replacements of units of property and improvements, is capitalized. Costs of depreciable units of property retired plus costs of removal less salvage are charged to accumulated depreciation.

***Allowance for Funds Used During Construction***

The Allowance for Funds Used During Construction (AFUDC) represents the cost of both the debt and equity funds used to finance utility plant additions during the construction period. In accordance with the uniform system of accounts prescribed by regulatory authorities, AFUDC is capitalized as a part of the cost of utility plant and is credited currently as a non-cash item in the Consolidated Statements of Income in the line item capitalized interest. The Company generally is permitted, under established regulatory rate practices, to recover the capitalized AFUDC, and a fair return thereon, through its inclusion in rate base and the provision for depreciation after the related utility plant is placed in service. Cash inflow related to AFUDC generally does not occur until the related utility plant is placed in service and included in rate base.

The effective AFUDC rate was 9.72 percent for 2003 and the second half of 2002 and 9.03 percent for the first half of 2002 and 2001. The Company's AFUDC rates do not exceed the maximum allowable rates as determined in accordance with the requirements of regulatory authorities.

***Depreciation***

For utility operations, depreciation expense is estimated by a method of depreciation accounting utilizing unit rates for hydroelectric plants and composite rates for other utility plant. Such rates are designed to provide for retirements of properties at the expiration of their service lives. The rates for hydroelectric plants include annuity and interest components, in which the interest component is 9 percent. For utility operations, the ratio of depreciation provisions to average depreciable property was 2.98 percent in 2003, 2.92 percent in 2002 and 2.84 percent in 2001.

The average service lives for the following broad categories of utility property are: electric thermal production - 30 years; hydroelectric production - 77 years; electric transmission - 41 years; electric distribution - 46 years; and natural gas distribution property - 35 years.

The Company recovers certain asset retirement costs through rates charged to customers as a portion of its depreciation expense. The Company had estimated retirement costs of $197.7 million and $185.4 million included as a regulatory liability on the Consolidated Balance Sheet as of December 31, 2003 and 2002, respectively. These costs do not represent legal or contractual obligations.

***Regulatory Deferred Charges and Credits***

The Company prepares its consolidated financial statements in accordance with the provisions of SFAS No. 71, "Accounting for the Effects of Certain Types of Regulation." The Company prepares its financial statements in accordance with SFAS No. 71 because (i) the Company's rates for regulated services are established by or subject to approval by an independent third-party regulator, (ii) the regulated rates are designed to recover the Company's cost of providing the regulated services and (iii) in view of demand for the regulated services and the level of competition, it is reasonable to assume that rates can be charged to and collected from customers at levels that will recover the Company's costs. SFAS No. 71 requires the Company to reflect the impact of regulatory decisions in its financial statements. SFAS No. 71 requires that certain costs and/or obligations (such as incurred power and natural gas costs not currently recovered through rates, but expected to be recovered in the future) are reflected as deferred charges on the balance sheet. These costs and/or obligations are not reflected in the statement of income until the period during which matching revenues are recognized. If at some point in the future the Company determines that it no longer meets the criteria for continued application of SFAS No. 71 with respect to all or a portion of the Company's regulated operations, the Company could be required to write off its regulatory assets. The Company could also be precluded from the future deferral of costs not recovered through rates at the time such costs were incurred, even if the Company expected to recover such costs in the future.

The Company's primary regulatory assets include power and natural gas deferrals (see "Power Cost Deferrals and Recovery Mechanisms" and "Natural Gas Cost Deferrals and Recovery Mechanisms" below for further information), investment in exchange power (see "Investment in Exchange Power-Net" below for further information), regulatory assets for deferred income taxes (see Note 10 for further information), unamortized debt expense (see "Unamortized Debt Expense" below for further information), regulatory asset for consolidation of variable interest entity (see Note 2 for further information), demand side management programs, conservation programs and the provision for postretirement benefits. Those items without a specific line on the Consolidated Balance Sheets are included in other regulatory assets.

Other regulatory assets consisted of the following as of December 31 (dollars in thousands):

| | 2003 | 2002 |
|---|---|---|
| Regulatory asset for consolidation of variable interest entity | $16,707 | $ - |
| Regulatory asset for postretirement benefit obligation | 4,255 | 4,728 |
| Demand side management and conservation programs | 19,683 | 23,733 |
| Other | 3,736 | 1,274 |
| Total | $44,381 | $29,735 |

Regulatory liabilities include utility plant retirement costs. Deferred credits include, among other items, regulatory liabilities created when the Centralia Power Plant (Centralia) was sold, regulatory liabilities offsetting net energy commodity derivative assets (see Note 4 for further information) and the gain on the general office building sale/leaseback, which is being amortized over the life of the lease, and are included on the Consolidated Balance Sheets as other non-current liabilities and deferred credits.

Regulatory assets that are not currently included in rate base, being recovered in current rates or earning a return (accruing interest), totaled $24.3 million as of December 31, 2003. The most significant of these assets was the $16.7 million regulatory asset for the consolidation of a variable interest entity (WP Funding LP) and $5.3 million of demand side management programs. Avista Utilities' lease payments to WP Funding LP of $4.5 million are being recovered in current rates; the regulatory asset primarily represents the accumulated difference between depreciation expense on the plant and the principal payments made on the debt obligation (see Note 2), which will be reversed in future periods as debt principal payments are made. The balance of the demand side management regulatory asset will be reduced through future recoveries from customers that are more than future amounts expended on such programs.

***Investment in Exchange Power-Net***

The investment in exchange power represents the Company's previous investment in Washington Public Power Supply System Project 3 (WNP-3), a nuclear project that was terminated prior to completion. Under a settlement agreement with the Bonneville Power Administration in 1985, Avista Utilities began receiving power in 1987, for a 32.5-year period, related to its investment in WNP-3. Through a settlement agreement with the Washington Utilities and Transportation Commission (WUTC) in the Washington jurisdiction, Avista Utilities is amortizing the recoverable portion of its investment in WNP-3 (recorded as investment in exchange power) over a 32.5 year period beginning in 1987. For the Idaho jurisdiction, Avista Utilities has fully amortized the recoverable portion of its investment in exchange power.

***Unamortized Debt Expense***

Unamortized debt expense includes debt issuance costs that are amortized over the life of the related debt, as well as premiums paid to repurchase debt, which are amortized over the average remaining maturity of outstanding debt in accordance with regulatory accounting practices under SFAS No. 71. These costs are recovered through retail rates as a component of interest expense.

***Natural Gas Benchmark Mechanism***

The Idaho Public Utilities Commission (IPUC), WUTC and Oregon Public Utilities Commission (OPUC) approved Avista Utilities' Natural Gas Benchmark Mechanism in 1999. The mechanism eliminated the majority of natural gas procurement operations within Avista Utilities and placed responsibility for natural gas procurement operations in Avista Energy, the Company's non-regulated subsidiary. The ownership of the natural gas assets remains with Avista Utilities; however, the assets are managed by Avista Energy through an Agency Agreement. Avista Utilities continues to manage natural gas procurement for its California operations, which currently represents approximately four percent of its total natural gas therm sales.

The Natural Gas Benchmark Mechanism provides benefits to retail customers and allows Avista Energy to retain a portion of the benefits associated with asset optimization and the efficiencies gained in purchasing natural gas for Avista Utilities as part of a larger portfolio. In the first quarter of 2002, the IPUC and the OPUC approved the continuation of the Natural Gas Benchmark Mechanism and related Agency Agreement through March 31, 2005. In January 2003, the WUTC approved the continuation of the Natural Gas

Benchmark Mechanism and related Agency Agreement through January 29, 2004. In February 2004, the WUTC ordered that the Natural Gas Benchmark Mechanism and related Agency Agreement be terminated for Washington customers and ordered Avista Utilities to file a transition plan to move management of these functions back into Avista Utilities.

In accordance with SFAS No. 71, profits recognized by Avista Energy on natural gas sales to Avista Utilities, including gains and losses on natural gas contracts, are not eliminated in the consolidated financial statements. This is due to the fact that Avista Utilities expects to recover the costs of natural gas purchases to serve retail customers and for fuel for electric generation through future retail rates.

***Power Cost Deferrals and Recovery Mechanisms***

Avista Utilities defers the recognition in the income statement of certain power supply costs as approved by the WUTC. Deferred power supply costs are recorded as a deferred charge on the balance sheet for future review and the opportunity for recovery through retail rates. The power supply costs deferred include certain differences between actual power supply costs incurred by Avista Utilities and the costs included in base retail rates. This difference in power supply costs primarily results from changes in short-term wholesale market prices, changes in the level of hydroelectric generation and changes in the level of thermal generation (including changes in fuel prices). Avista Utilities accrues interest on deferred power costs in the Washington jurisdiction at a rate, which is adjusted semi-annually, of 8.5 percent as of December 31, 2003. Total deferred power costs for Washington customers were $125.7 million and $123.7 million as of December 31, 2003 and 2002, respectively.

The WUTC issued an order that became effective July 1, 2002 for restructuring of rate increases previously approved by the WUTC totaling 31.2 percent. The July 2002 rate change increased base retail rates 19.3 percent and provided an 11.9 percent continuing surcharge for the recovery of deferred power costs. The WUTC rate order also established an Energy Recovery Mechanism (ERM) effective July 1, 2002. The ERM replaced a series of temporary deferral mechanisms that had been in place in Washington since mid-2000. The ERM allows Avista Utilities to increase or decrease electric rates periodically with WUTC approval to reflect changes in power supply costs. The ERM provides for Avista Utilities to incur the cost of, or receive the benefit from, the first $9.0 million in annual power supply costs above or below the amount included in base retail rates. Under the ERM, 90 percent of annual power supply costs exceeding or below the initial $9.0 million are deferred for future surcharge or rebate to Avista Utilities' customers. The remaining 10 percent of power supply costs are an expense of, or benefit to, the Company.

Under the ERM, Avista Utilities makes an annual filing to provide the opportunity for the WUTC and other interested parties to review the prudence of and audit the ERM deferred power cost transactions for the prior calendar year. Avista Utilities made its first annual filing with the WUTC in March 2003 related to $18.4 million of deferred power costs incurred for the period July 1, 2002 through December 31, 2002. In January 2004, the WUTC approved a settlement agreement among Avista Utilities, the WUTC staff and the Industrial Customers of Northwest Utilities, which provided for Avista Utilities to write off $2.5 million (recorded in 2003) of previously deferred power costs related to the delay of the Coyote Springs 2 project in 2002 and 2003 and allows recovery of all other deferred power costs incurred through December 31, 2002.

Avista Utilities has a power cost adjustment (PCA) mechanism in Idaho that allows it to modify electric rates periodically with IPUC approval. Under the PCA mechanism, Avista Utilities defers 90 percent of the difference between certain actual net power supply expenses and the authorized level of net power supply expenses approved in the last Idaho general rate case. Avista Utilities accrues interest on deferred power costs in the Idaho jurisdiction at a rate, which is adjusted annually, of 1.0 percent on current year deferrals and 3.0 percent on carryover balances as of December 31, 2003. The IPUC originally approved a 19.4 percent surcharge in October 2001, which has been extended through October 2004 for recovery of previously deferred power costs. Based on IPUC staff recommendations and IPUC orders, the prudence of $11.9 million of deferred power costs will be reviewed in the electric general rate case that Avista Utilities filed in February 2004. Total deferred power costs for Idaho customers were $30.3 million and $31.5 million as of December 31, 2003 and 2002, respectively.

***Natural Gas Cost Deferrals and Recovery Mechanisms***

Under established regulatory practices in each respective state, Avista Utilities is allowed to adjust its natural gas rates periodically (with regulatory approval) to reflect increases or decreases in the cost of natural gas purchased. Differences between actual natural gas costs and the natural gas costs already included in retail rates are deferred and charged or credited to expense when regulators approve inclusion of the cost changes in rates. Total deferred natural gas costs were $15.4 million and $11.5 million as of December 31, 2003 and 2002, respectively.

***Reclassifications***
Certain prior period amounts were reclassified to conform to current statement format. These reclassifications were made for comparative purposes and to conform to changes in accounting standards and have not affected previously reported total net income or common equity.

**NOTE 2. NEW ACCOUNTING STANDARDS**

In June 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 143, "Accounting for Asset Retirement Obligations" which addresses financial accounting and reporting for legal or contractual obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. This statement requires the recording of the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the associated costs of the asset retirement obligation will be capitalized as part of the carrying amount of the related long-lived asset. The liability will be accreted to its present value each period and the related capitalized costs will be depreciated over the useful life of the related asset. Upon retirement of the asset, the Company will either settle the retirement obligation for its recorded amount or incur a gain or loss. The adoption of this statement on January 1, 2003 did not have a material effect on the Company's financial condition or results of operations.

The Company recovers certain utility plant retirement costs through rates charged to customers as a component of depreciation expense. To conform to SFAS No. 143, the Company has reclassified $197.7 million and $185.4 million of utility plant retirement costs previously recorded in accumulated depreciation to regulatory liabilities as of December 31, 2003 and 2002, respectively. These costs do not represent legal or contractual obligations.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" which nullifies EITF Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." This statement requires that a liability for a cost associated with an exit or disposal activity is recognized when the liability is incurred. Under EITF Issue No. 94-3, a liability for an exit cost was recognized at the date of an entity's commitment to an exit plan. SFAS No. 146 also requires the initial measurement of the liability at fair value. This statement is effective for exit or disposal activities that were initiated after December 31, 2002. The adoption of this statement did not have any effect on the Company's financial condition or results of operations.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation – Transition and Disclosure" which amends SFAS No. 123 "Accounting for Stock-Based Compensation." This statement provides alternative methods of transition for a voluntary change to the fair value method of accounting for stock-based compensation. In addition, this statement requires the disclosure of pro forma net income and earnings per common share had the Company adopted the fair value method of accounting for stock-based compensation in a more prominent place in the financial statements (see Note 1 "Stock-based Compensation"). This statement also requires the disclosure of pro forma net income and earnings per common share in interim as well as annual financial statements. The alternative transition methods and annual financial statement disclosures are effective for fiscal years ending after December 15, 2002. Interim disclosures are required for periods ending after December 15, 2002. The adoption of this statement affects the Company's disclosures. As the Company has not elected to adopt the fair value method of accounting for stock-based compensation, the adoption of this statement does not have any effect on the Company's financial condition or results of operations.

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." This statement amends SFAS No. 133 for decisions made: (1) as part of the Derivatives Implementation Group process that effectively required amendments to SFAS No. 133; (2) in connection with other FASB projects dealing with financial instruments; and (3) in connection with implementation issues raised in relation to the application of the definition of a derivative, (in particular, the meaning of an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors, the meaning of underlying, and the characteristics of a derivative that contain financing components). This statement is effective for contracts entered into or modified after June 30, 2003, except as stated below and for hedging relationships designated after June 30, 2003. The provisions of SFAS No. 149 that relate to SFAS No. 133 implementation issues that were effective for fiscal quarters that began prior to June 15, 2003 should continue to be applied in accordance with their respective effective dates. In addition, certain provisions relating to forward purchases or sales of "when-issued" securities or other securities that do not yet exist, should be applied to existing contracts as well as new contracts entered into after June 30, 2003. Avista

Utilities has entered into certain forward contracts to purchase or sell power and natural gas used for generation that no longer meet the normal purchases and sales exception in accordance with the provisions of SFAS No. 149. This statement requires that substantially all new forward contracts to purchase or sell power and natural gas used for generation, which were entered into on or after July 1, 2003, be recorded as assets or liabilities at market value with an offsetting regulatory asset or liability as authorized by regulatory accounting orders (see Note 4). In accordance with the provisions of SFAS No. 149, Avista Utilities recorded derivative assets of $1.5 million and derivative liabilities of $0.1 million as of December 31, 2003.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." This statement requires the Company to classify certain financial instruments as liabilities that have historically been classified as equity. This statement requires the Company to classify as a liability financial instruments that are subject to mandatory redemption at a specified or determinable date or upon an event that is certain to occur. This statement was effective for financial instruments entered into or modified after May 31, 2003, and otherwise was effective at the beginning of the first interim period beginning after June 15, 2003. The restatement of financial statements for prior periods is not permitted. The adoption of this statement required the Company to classify $31.5 million of preferred stock subject to mandatory redemption as liabilities on the Consolidated Balance Sheet. The adoption of this statement also required the Company to classify preferred stock dividends of $1.1 million for the period from July 1, 2003 through December 31, 2003 as interest expense in the Consolidated Statements of Income. The adoption of this statement does not cause the Company to fail to meet any of the covenants of the Company's $245.0 million committed line of credit, including covenants not to permit the ratio of "consolidated total debt" to "consolidated total capitalization" of Avista Corp. to be greater than 65 percent at the end of any fiscal quarter as the covenant calculations exclude the effect of changes in accounting standards.

In December 2003, the FASB issued SFAS No. 132 (revised 2003), "Employers' Disclosures about Pensions and Other Postretirement Benefits." This statement requires expanded disclosures with respect to pension plan assets, benefit obligations, cash flows, benefit costs and other relevant information. However, this statement does not change the measurement and recognition provisions of previous FASB statements related to pensions and other postretirement benefits. The Company was required to adopt this statement for 2003. The adoption of this statement did not have any effect on the Company's financial condition or results of operations. The expanded disclosures required by this statement are included in Note 9.

In July 2003, the EITF reached consensus on Issue No. 03-11, "Reporting Realized Gains and Losses on Derivative Instruments That Are Subject to FASB Statement No. 133 and Not Held for Trading Purposes as Defined in EITF Issue No. 02-3." This EITF Issue requires that revenues and resource costs from Avista Utilities' settled energy contracts that are "booked out" (not physically delivered) should be reported on a net basis as part of operating revenues effective October 1, 2003. The adoption of this EITF Issue resulted in a reduction in operating revenues and resource costs of approximately $1.2 million for 2003 as compared to historical periods for Avista Utilities. This effect on operating revenues and resource costs will be more significant in 2004 and subsequent years as the netting of "booked out" contracts will be recorded for the entire year.

In November 2002, the FASB issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." This interpretation clarifies the requirements of SFAS No. 5, "Accounting for Contingencies" relating to a guarantor's accounting for, and disclosure of, the issuance of certain types of guarantees. This interpretation requires that upon issuance of a guarantee, the guarantor must recognize a liability for the fair value of the obligation it assumes under that guarantee. The initial recognition and measurement provisions of this interpretation are to be applied on a prospective basis to guarantees issued or modified subsequent to December 31, 2002 and did not have a material effect on the Company's financial condition or results of operations. The disclosure requirements of this interpretation are effective for financial statements issued for periods that end after December 15, 2002. See Note 17 for disclosure of the Company's guarantees.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities," which was revised in December 2003 (collectively referred to as FIN 46). In October 2003, the implementation of FIN 46 was delayed from the third quarter of 2003 to the fourth quarter of 2003. In general, a variable interest entity does not have equity investors with voting rights or it has equity investors that do not provide sufficient financial resources for the entity to support its activities. Variable interest entities are commonly referred to as special purpose entities or off-balance sheet structures; however, FIN 46 applies to a broader group of entities. FIN 46 requires a variable interest entity to be consolidated by the primary beneficiary of that entity. The primary beneficiary is subject to a majority of the risk of loss from the variable interest entity's activities or it is entitled to receive a majority of the entity's residual returns. FIN 46 also requires disclosure of variable interest entities that a company is not required to consolidate but in which it has a significant variable interest. The consolidation requirements of FIN 46 applied immediately to variable interest entities created after January 31, 2003 and applied to certain existing variable interest entities for the first fiscal year or interim period ending after December 15, 2003. Application for all other types of entities is required for periods ending after March 15, 2004.

FIN 46 required the Company to consolidate WP Funding LP effective for the period ended December 31, 2003. WP Funding LP is an entity that was formed in 1993 for the purpose of acquiring the natural gas-fired combustion turbine generating facility in Rathdrum, Idaho (Rathdrum CT). WP Funding LP purchased the Rathdrum CT from the Company with funds provided by unrelated investors of which 97 percent represented debt and 3 percent represented equity. The Company operates the Rathdrum CT and leases it from WP Funding LP. The total amount of WP Funding LP debt outstanding was $54.6 million as of December 31, 2003. The lease term expires in February 2020; however, the current debt matures in October 2005 and will need to be refinanced at that time. As of December 31, 2003, the book value of the debt and equity of WP Funding LP exceeded the book value of the Rathdrum CT by $16.7 million. In accordance with regulatory accounting practices, the Company recorded this amount as a regulatory asset upon the consolidation of WP Funding LP. The addition of the Rathdrum CT to Avista Utilities' generation resource base, which entered commercial operation in 1995, was reviewed in previous state regulatory filings with the WUTC and IPUC. The consolidation of WP Funding LP increased long-term debt by $54.6 million, net utility property by $39.6 million, other regulatory assets by $16.7 million and other liabilities by $1.7 million (representing minority interest) as of December 31, 2003.

FIN 46 also resulted in the Company no longer including Avista Capital I and Avista Capital II in its consolidated financial statements for the period ended December 31, 2003. Avista Capital I and Avista Capital II are business trusts formed in 1997 for the purpose of issuing a combined $110.0 million of preferred trust securities to third parties and $3.4 million of common trust securities to Avista Corp. The sole assets of Avista Capital I and Avista Capital II are $113.4 million of junior subordinated deferrable interest debentures of Avista Corp. Avista Capital I and Avista Capital II are considered variable interest entities under the provisions of FIN 46. As Avista Corp. is not the primary beneficiary, these entities are no longer included in Avista Corp.'s consolidated financial statements. The removal of Avista Capital I and Avista Capital II resulted in a decrease in preferred trust securities of $100.0 million, an increase in long-term debt to affiliated trusts of $113.4 million and an increase in investments in affiliated trusts of $13.4 million (representing the $3.4 million of common trust securities and $10.0 million of preferred trust securities purchased by Avista Corp. in 2000) as of December 31, 2003. Interest expense to affiliated trusts of $1.5 million in the Consolidated Statements of Income for 2003 represents interest expense on the $113.4 million of long-term debt to affiliated trusts for the fourth quarter of 2003.

The adoption FIN 46 does not cause the Company to fail to meet any of the covenants of the Company's $245.0 million committed line of credit, including covenants not to permit the ratio of "consolidated total debt" to "consolidated total capitalization" of Avista Corp. to be greater than 65 percent at the end of any fiscal quarter as the covenant calculations exclude the effect of changes in accounting standards.

## NOTE 3. ACCOUNTS RECEIVABLE SALE

In 1997, Avista Receivables Corp. (ARC) was formed as a wholly owned, bankruptcy-remote subsidiary of the Company for the purpose of acquiring or purchasing interests in certain accounts receivable, both billed and unbilled, of the Company. On May 29, 2002, ARC, the Company and a third-party financial institution entered into a three-year agreement whereby ARC can sell without recourse, on a revolving basis, up to $100.0 million of those receivables. ARC is obligated to pay fees that approximate the purchaser's cost of issuing commercial paper equal in value to the interests in receivables sold. On a consolidated basis, the amount of such fees is included in operating expenses of the Company. As of December 31, 2003 and 2002, $72.0 million and $65.0 million, respectively, in accounts receivables were sold under this revolving agreement.

## NOTE 4. UTILITY ENERGY COMMODITY DERIVATIVE ASSETS AND LIABILITIES

SFAS No. 133, as amended by SFAS No. 138, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires the recording of all derivatives as either assets or liabilities on the balance sheet measured at estimated fair value and the recognition of the unrealized gains and losses. In certain defined conditions, a derivative may be specifically designated as a hedge for a particular exposure. The accounting for derivatives depends on the intended use of the derivatives and the resulting designation.

Avista Utilities enters into forward contracts to purchase or sell energy. Under these forward contracts, Avista Utilities commits to purchase or sell a specified amount of energy at a specified time, or during a specified period, in the future. Certain of these forward contracts are considered derivative instruments. Avista Utilities also records derivative commodity assets and liabilities for over-the-counter and exchange-traded derivative instruments as well as certain long-term contracts. These contracts are entered into as part of Avista Utilities' management of its loads and resources as discussed in Note 5. In conjunction with the issuance of SFAS No. 133, the WUTC and the IPUC issued accounting orders authorizing Avista Utilities to offset any derivative assets or liabilities with a regulatory asset or liability. This accounting treatment is intended to defer the recognition of mark-to-market gains and losses on energy commodity transactions until the period of settlement. The order provides for Avista Utilities to not recognize the unrealized gain or loss on utility derivative commodity instruments in the Consolidated Statements of Income. Realized gains or losses are recognized in the period of settlement subject to current or future recovery in retail rates. Realized gains and losses are reflected as adjustments through purchased gas cost adjustments, the ERM and the PCA mechanism.

Prior to the adoption of SFAS No. 149 on July 1, 2003, Avista Utilities elected the normal purchases and sales exception for substantially all of its contracts for both capacity and energy under SFAS No. 133. As such, Avista Utilities was not required to record these contracts as derivative commodity assets and liabilities. See Note 2 for a discussion of prospective changes that impact the accounting for contracts when entered on or after July 1, 2003, in accordance with SFAS No. 149. Contracts that are not considered derivatives under SFAS No. 133 are generally accounted for at cost until they are settled or realized, unless there is a decline in the fair value of the contract that is determined to be other than temporary.

As of December 31, 2003, the utility derivative commodity asset balance was $39.5 million, the derivative commodity liability balance was $36.1 million and the offsetting net regulatory liability was $3.4 million. As of December 31, 2002, the utility derivative commodity asset balance was $60.3 million, the derivative commodity liability balance was $50.1 million and the offsetting net regulatory liability was $10.2 million. Utility derivative assets and liabilities, as well as the offsetting net regulatory asset or liability, can change significantly from period to period due to the settlement of contracts, the entering of new contracts and changes in commodity prices. The offsetting net regulatory liability is included in other non-current liabilities and deferred credits on the Consolidated Balance Sheet.

**NOTE 5. ENERGY COMMODITY TRADING**

The Company's energy-related businesses are exposed to risks relating to, but not limited to, changes in certain commodity prices, interest rates, foreign currency and counterparty performance. In order to manage the various risks relating to these exposures, Avista Utilities utilizes derivative instruments, such as forwards, futures, swaps and options, and Avista Energy engages in the trading of such instruments. Avista Utilities and Avista Energy use a variety of techniques to manage risks for their energy resources and wholesale energy market activities. The Company has risk management policies and procedures to manage these risks, both qualitative and quantitative, for Avista Utilities and Avista Energy. The Company's Risk Management Committee, which is separate from the units tasked with managing this risk exposure and is overseen by the Audit Committee of the Company's Board of Directors, monitors compliance with the Company's risk management policies and procedures.

***Avista Utilities***

Avista Utilities engages in an ongoing process of resource optimization, which involves the pursuit of economic resources to serve load obligations and using existing resources to capture available economic value. Avista Utilities sells and purchases wholesale electric capacity and energy to and from utilities and other entities as part of the process of acquiring resources to serve its retail and wholesale load obligations. These transactions range from a term as short as one hour up to long-term contracts that extend beyond one year. Avista Utilities makes continuing projections of (1) future retail and wholesale loads based on, among other things, forward estimates of factors such as customer usage and weather as well as historical data and contract terms and (2) resource availability based on, among other things, estimates of streamflows, generating unit availability, historic and forward market information and experience. On the basis of these continuing projections, Avista Utilities makes purchases and sales of energy on an annual, quarterly, monthly, daily and hourly basis to match expected resources to expected energy requirements. Resource optimization also includes transactions such as purchasing fuel to run thermal generation and, when economic, selling fuel and substituting wholesale market purchases for the operation of Avista Utilities' own resources, as well as other wholesale transactions to capture the value of available generation and transmission resources. This optimization process includes entering into financial and physical hedging transactions as a means of managing risks.

Avista Utilities manages the impact of fluctuations in electric energy prices by establishing volume limits for the imbalance between projected loads and resources and through the use of derivative commodity instruments for hedging purposes. Any load/resource imbalances within a rolling 18-month planning horizon are managed within risk policy volumetric limits. Management also assesses available resource decisions and actions that are appropriate for longer-term planning periods. Avista Energy is responsible for the daily management of natural gas supplies to meet the requirements of Avista Utilities' customers in the states of Washington, Idaho and Oregon. In February 2004, the WUTC ordered that the Natural Gas Benchmark Mechanism and related Agency Agreement be terminated for Washington customers (see description of Natural Gas Benchmark Mechanism in Note 1). Avista Utilities continues to manage natural gas procurement for its California operations, which currently represents approximately four percent of its total natural gas therm sales.

***Market Risk***

Market risk is, in general, the risk of fluctuation in the market price of the commodity being traded and is influenced primarily by supply and demand. Market risk includes the fluctuation in the market price of associated derivative commodity instruments. Market risk is influenced to the extent that the performance or nonperformance by market participants of their contractual obligations and commitments affect the supply of, or demand for, the commodity.

Avista Utilities and Avista Energy manage, on a portfolio basis and on a delivery point basis, the market risks inherent in their activities subject to parameters established by the Company's Risk Management Committee. These parameters include but are not limited to overall portfolio and delivery point volumetric limits. Market risks are monitored by the Risk Management Committee to ensure compliance with the Company's risk management policies. Avista Utilities measures exposure to market risk through daily evaluation of the imbalance between projected loads and resources. Avista Energy measures the risk in its portfolio on a daily basis utilizing a VAR model and monitors its risk in comparison to established thresholds.

***Credit Risk***

Credit risk relates to the risk of loss that Avista Utilities and/or Avista Energy would incur as a result of non-performance by counterparties of their contractual obligations to deliver energy and make financial settlements. Credit risk includes the risk that a counterparty may default due to circumstances relating directly to it and the risk that a counterparty may default due to circumstances that relate to other market participants that have a direct or indirect relationship with such counterparty. Avista Utilities and Avista Energy seek to mitigate credit risk by applying specific eligibility criteria to existing and prospective counterparties and by actively monitoring current credit exposures. These policies include an evaluation of the financial condition and credit ratings of counterparties, collateral requirements or other credit enhancements, such as letters of credit or parent company guarantees, and the use of standardized agreements that allow for the netting or offsetting of positive and negative exposures associated with a single counterparty.

Credit risk also involves the exposure that counterparties perceive related to the ability of Avista Utilities and Avista Energy to perform deliveries and settlement of energy transactions. These counterparties may seek assurance of performance in the form of letters of credit, prepayment or cash deposits and, in the case of Avista Energy, parent company (Avista Capital) performance guarantees. In periods of price volatility, the level of exposure can change significantly, with the result that sudden and significant demands may be made against the Company's capital resource reserves (credit facilities and cash). Avista Utilities and Avista Energy actively monitor the exposure to possible collateral calls and take steps to minimize capital requirements.

***Other Operating Risks***

In addition to commodity price risk, Avista Utilities' commodity positions are subject to operational and event risks including, among others, increases in load demand, transmission or transport disruptions, fuel quality specifications, changes in regulatory requirements, forced outages at generating plants and disruptions to information systems and other administrative tools required for normal operations. Avista Utilities also has exposure to weather conditions and natural disasters that can cause physical damage to property, requiring repairs to restore utility service. The emergence of terrorism threats, both domestic and foreign, is a risk to the entire utility industry, including Avista Utilities. Potential disruptions to operations or destruction of facilities from terrorism or other malicious acts are not readily determinable. The Company has taken various steps to mitigate terrorism risks and to prepare contingency plans in the event that its facilities are targeted.

## NOTE 6. CASH DEPOSITS WITH AND FROM COUNTERPARTIES

Cash deposits from counterparties totaled \$97.8 million and \$92.7 million as of December 31, 2003 and 2002, respectively, and are disclosed as deposits from counterparties on the Consolidated Balance Sheet. These funds are held by Avista Utilities and Avista Energy to mitigate the potential impact of counterparty default risk. These amounts are subject to return if conditions warrant because of continuing portfolio value fluctuations with those parties or substitution of non-cash collateral.

Cash deposited with counterparties totaled \$36.8 million and \$35.7 million as of December 31, 2003 and 2002, respectively, and is included in prepayments and other current assets on the Consolidated Balance Sheet.

As is common industry practice, Avista Utilities and Avista Energy maintain margin agreements with certain counterparties. Margin calls are triggered when exposures exceed predetermined contractual limits or when there are changes in a counterparty's creditworthiness. Price movements in electricity and natural gas can generate exposure levels in excess of these contractual limits. From time to time, margin calls are made and/or received by Avista Utilities and Avista Energy. Negotiating for collateral in the form of cash, letters of credit, or parent company performance guarantees is a common industry practice.

## NOTE 7. JOINTLY OWNED ELECTRIC FACILITIES

The Company has a 50 percent ownership interest in a combined cycle natural gas-fired turbine power plant, the Coyote Springs 2 Generation Plant (Coyote Springs 2) located in north-central Oregon, which was placed into operation in 2003. The Company's investment in Coyote Springs 2 was held by Avista Power as of December 31, 2002 and was included in non-utility properties and investments-net on the Consolidated Balance Sheet. In January 2003, the Company's ownership interest in the plant was transferred from Avista Power to Avista Corp. to be operated as an asset of Avista Utilities and was included in utility plant in service on the Consolidated Balance Sheet as of December 31, 2003. The Company's share of related fuel costs as well as operating and maintenance expenses for plant in service are included in the corresponding accounts in the Consolidated Statements of Income. The Company's share of utility plant in service for Coyote Springs 2 was \$109.0 million and accumulated depreciation was \$2.2 million as of December 31, 2003.

The Company has a 15 percent ownership interest in a twin-unit coal-fired generating facility, the Colstrip Generating Project (Colstrip) located in southeastern Montana, and provides financing for its ownership interest in the project. The Company's share of related fuel costs as well as operating and maintenance expenses for plant in service are included in the corresponding accounts in the Consolidated Statements of Income. The Company's share of utility plant in service for Colstrip was \$323.6 million and accumulated depreciation was \$167.6 million as of December 31, 2003.

**NOTE 8. PROPERTY, PLANT AND EQUIPMENT**

The balances of the major classifications of property, plant and equipment are detailed in the following table as of December 31 (dollars in thousands):

| | 2003 | 2002 |
|---|---|---|
| Avista Utilities: | | |
| Electric production | $ 914,021 | $ 740,736 |
| Electric transmission | 304,827 | 295,284 |
| Electric distribution | 724,054 | 698,757 |
| Construction work-in-progress (CWIP) and other | 119,552 | 85,631 |
| Electric total | 2,062,454 | 1,820,408 |
| Natural gas underground storage | 18,543 | 18,285 |
| Natural gas distribution | 449,501 | 430,273 |
| CWIP and other | 45,340 | 44,675 |
| Natural gas total | 513,384 | 493,233 |
| Common plant (including CWIP) | 79,789 | 74,751 |
| Total Avista Utilities | 2,655,627 | 2,388,392 |
| Energy Marketing and Resource Management | 30,162 | 142,428 |
| Avista Advantage | 12,847 | 10,183 |
| Other | 23,886 | 20,611 |
| Total | $2,722,522 | $2,561,614 |

Equipment under capital leases at Avista Utilities totaled $3.9 million and $0.7 million as of December 31, 2003 and 2002, respectively. The associated accumulated depreciation totaled $0.2 million and $0.1 million as of December 31, 2003 and 2002, respectively.

**NOTE 9. PENSION PLANS AND OTHER POSTRETIREMENT BENEFIT PLANS**

The Company has a defined benefit pension plan covering substantially all of its regular full-time employees. Employees of Avista Energy also participate in this plan. Individual benefits under this plan are based upon years of service and the employee's average compensation as specified in the plan. The Company's funding policy is to contribute amounts that are not less than the minimum amounts required to be funded under the Employee Retirement Income Security Act, nor more than the maximum amounts that are currently deductible for income tax purposes. The Company made $12 million in cash contributions to the pension plan in each of 2003 and 2002. The Company expects to contribute approximately $15 million to the pension plan in 2004.

Pension fund assets are invested primarily in marketable debt and equity securities. However, fund assets may also be invested in real estate and other investments, including hedge funds and venture capital funds. In selecting an assumed long-term rate of return on plan assets, the Company considered past performance and economic forecasts for the types of investments held by the plan. The fair value of pension plan assets invested in debt and equity securities was based primarily on outside market prices. The fair value of pension plan assets invested in real estate was determined based on three basic approaches: (1) current cost of reproducing a property less deterioration and functional economic obsolescence (2) capitalization of the property's net earnings power; and (3) value indicated by recent sales of comparable properties in the market. The fair value of plan assets was determined as of December 31, 2003 and 2002.

As of December 31, 2003 and 2002, the Company's pension plan had assets with a fair value that was less than the present value of the accumulated benefit obligation under the plan. In 2003, the pension plan funding deficit was reduced as compared to the end of 2002 and as such the Company reduced the additional minimum liability for the unfunded accumulated benefit obligation by $15.5 million and the intangible asset by $0.6 million (representing the amount of unrecognized prior service cost) related to the pension plan. This resulted in an increase to other comprehensive income of $9.7 million, net of taxes of $5.2 million for 2003. In 2002, the Company recorded an additional minimum liability for the unfunded accumulated benefit obligation of $33.4 million and an intangible asset of $6.4 million (representing the amount of unrecognized prior service cost) related to the pension plan. This resulted in a charge to other comprehensive income of $17.6 million, net of taxes of $9.4 million for 2002.

The Company also has a Supplemental Executive Retirement Plan (SERP) that provides additional pension benefits to executive officers of the Company. The SERP is intended to provide benefits to executive officers whose benefits under the pension plan are reduced due to the application of Section 415 of the Internal Revenue Code of 1986 and the deferral of salary under deferred compensation plans. The Company recorded an additional minimum liability for the unfunded accumulated benefit obligation of $0.3 million, $0.7 million and $1.1 million related to the SERP for 2003, 2002 and 2001, respectively. This resulted in a charge to other comprehensive income of $0.2 million, $0.5 million and $0.7 million, net of taxes, for 2003, 2002 and 2001, respectively.

The Company provides certain health care and life insurance benefits for substantially all of its retired employees. The Company accrues the estimated cost of postretirement benefit obligations during the years that employees provide services. The Company elected to amortize the transition obligation of $34.5 million over a period of twenty years, beginning in 1993.

The Company uses a December 31 measurement date for its pension and postretirement plans. The following table sets forth the pension and postretirement plan disclosures as of December 31, 2003 and 2002 and the components of net periodic benefit costs for the years ended December 31, 2003, 2002 and 2001 (dollars in thousands):

| | Pension Benefits | | Post-Retirement Benefits | |
|---|---|---|---|---|
| | 2003 | 2002 | 2003 | 2002 |
| **Change in benefit obligation:** | | | | |
| Benefit obligation as of beginning of year | $238,385 | $210,510 | $29,062 | $36,355 |
| Service cost | 7,806 | 6,734 | 482 | 304 |
| Interest cost | 15,705 | 15,119 | 2,477 | 2,184 |
| Plan amendment | - | (2,530) | - | (5,821) |
| Actuarial loss (gain) | 18,046 | 22,243 | 10,973 | (660) |
| Benefits paid | (12,648) | (12,229) | (3,741) | (3,091) |
| Expenses paid | (1,504) | (1,462) | (68) | (209) |
| Benefit obligation as of end of year | $265,790 | $238,385 | $39,185 | $29,062 |
| **Change in plan assets:** | | | | |
| Fair value of plan assets as of beginning of year | $136,125 | $153,705 | $11,301 | $13,969 |
| Actual return on plan assets | 33,129 | (16,677) | 3,282 | (1,451) |
| Employer contributions | 12,000 | 12,000 | 1,785 | - |
| Benefits paid | (11,788) | (11,441) | (1,713) | (1,008) |
| Expenses paid | (1,504) | (1,462) | (68) | (209) |
| Fair value of plan assets as of end of year | $167,962 | $136,125 | $14,587 | $11,301 |
| Funded status | $(97,828) | $(102,260) | $(24,598) | $(17,761) |
| Unrecognized net actuarial loss | 71,695 | 79,812 | 9,455 | 1,425 |
| Unrecognized prior service cost | 5,712 | 6,366 | - | - |
| Unrecognized net transition obligation/(asset) | (1,585) | (2,671) | 8,809 | 9,788 |
| Accrued benefit cost | (22,006) | (18,753) | (6,334) | (6,548) |
| Additional minimum liability | (20,081) | (35,303) | - | - |
| Accrued benefit liability | $(42,087) | $(54,056) | $(6,334) | $(6,548) |
| Accumulated pension benefit obligation | $210,049 | $190,181 | - | - |
| Accumulated postretirement benefit obligation: | | | | |
| For retirees | | | $26,073 | $21,582 |
| For fully eligible employees | | | $5,427 | $3,297 |
| For other participants | | | $7,685 | $4,183 |

| | Pension Benefits | | Post-Retirement Benefits | |
|---|---|---|---|---|
| | 2003 | 2002 | 2003 | 2002 |
| **Weighted-average asset allocations as of December 31** | | | | |
| Equity securities | 64% | 65% | 59% | 51% |
| Debt securities | 25% | 32% | 41% | 38% |
| Real estate | 5% | - | - | - |
| Other | 6% | 3% | - | 11% |
| **Target asset allocations as of December 31** | | | | |
| Equity securities | 54-68% | 58-72% | | |
| Debt securities | 22-28% | 25-35% | | |
| Real estate | 3-7% | - | | |
| Other | 5-13% | 3-5% | | |
| **Assumptions as of December 31** | | | | |
| Discount rate | 6.25% | 6.75% | 6.25% | 6.75% |
| Expected long-term return on plan assets | 8.00% | 8.00% | 8.00% | 8.00% |
| Rate of compensation increase | 5.00% | 5.00% | | |
| Medical cost trend pre-age 65 – initial | | | 9.00% | 9.00% |
| Medical cost trend pre-age 65 – ultimate | | | 5.00% | 5.00% |
| Ultimate medical cost trend year pre-age 65 | | | 2007 | 2007 |
| Medical cost trend post-age 65 – initial | | | 10.00% | 10.00% |
| Medical cost trend post-age 65 – ultimate | | | 6.00% | 6.00% |
| Ultimate medical cost trend year post-age 65 | | | 2007 | 2007 |

| | 2003 | 2002 | 2001 | 2003 | 2002 | 2001 |
|---|---|---|---|---|---|---|
| **Components of net periodic benefit cost:** | | | | | | |
| Service cost | $ 7,806 | $ 6,734 | $5,716 | $ 482 | $ 304 | $ 460 |
| Interest cost | 15,705 | 15,119 | 14,293 | 2,477 | 2,184 | 2,567 |
| Expected return on plan assets | (10,862) | (12,311) | (15,254) | (842) | (1,064) | (1,311) |
| Transition (asset)/obligation recognition | (1,086) | (1,086) | (1,086) | 979 | 1,256 | 1,534 |
| Amortization of prior service cost | 653 | 831 | 989 | - | - | - |
| Net (gain) loss recognition | 3,896 | 1,021 | 139 | 405 | - | (52) |
| Net periodic benefit cost | $16,112 | $10,308 | $4,797 | $3,501 | $2,680 | $3,198 |

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point increase in the assumed health care cost trend rate for each year would increase the accumulated postretirement benefit obligation as of December 31, 2003 by $3.0 million and the service and interest cost by $0.2 million. A one-percentage-point decrease in the assumed health care cost trend rate for each year would decrease the accumulated postretirement benefit obligation as of December 31, 2003 by $2.6 million and the service and interest cost by $0.2 million.

In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (2003 Medicare Act) was signed into law. The 2003 Medicare Act expanded Medicare to include, for the first time, coverage for prescription drugs. The Company expects that the 2003 Medicare Act may eventually reduce the costs of postretirement medical benefits. Because of various uncertainties related to the Company's response to the 2003 Medicare Act and the appropriate accounting for this event, the Company has elected to defer financial recognition of this legislation until the FASB issues final accounting guidance.

The Company has a salary deferral 401(k) plan (Employee Investment Plan) that is a defined contribution plan and covers substantially all employees. Employees can make contributions to their respective accounts in the Employee Investment Plan on a pre-tax basis up to the maximum amount permitted by law. The Company matches a portion of the salary deferred by each participant according to the schedule in the Employee Investment Plan. Employer matching contributions of $3.6 million, $3.4 million and $3.5 million were expensed in 2003, 2002 and 2001, respectively.

**NOTE 10. ACCOUNTING FOR INCOME TAXES**

As of December 31, 2003 and 2002, the Company had net regulatory assets of $131.8 million and $139.1 million, respectively, related to the probable recovery of certain deferred tax liabilities from customers through future rates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and tax credit carryforwards.

The total net deferred income tax liability consisted of the following as of December 31 (dollars in thousands):

| | 2003 | 2002 |
|---|---|---|
| **Deferred income tax assets:** | | |
| Allowance for doubtful accounts | $ 16,201 | $ 16,343 |
| Reserves not currently deductible | 23,669 | 15,750 |
| Contributions in aid of construction | 8,677 | 9,709 |
| Deferred compensation | 4,904 | 4,112 |
| Centralia sale regulatory liability | 2,336 | 2,954 |
| Unfunded accumulated benefit obligation | 4,645 | 9,736 |
| Other | 5,705 | 7,172 |
| Total deferred income tax assets | 66,137 | 65,776 |
| **Deferred income tax liabilities:** | | |
| Differences between book and tax basis of utility plant | 404,017 | 364,827 |
| Power and natural gas deferrals | 58,912 | 58,081 |
| Unrealized energy commodity gains | 27,290 | 34,231 |
| Power exchange contract | 41,725 | 44,533 |
| Demand side management programs | 4,459 | 5,064 |
| Loss on reacquired debt | 8,405 | 8,781 |
| Other | 2,673 | 4,406 |
| Total deferred income tax liabilities | 547,481 | 519,923 |
| Net deferred income tax liability | $481,344 | $454,147 |

Net current deferred income taxes were an $11.5 million asset and a $1.7 million liability as of December 31, 2003 and 2002, respectively. Net non-current deferred tax liabilities were $492.8 million and $452.5 million as of December 31, 2003 and 2002, respectively.

The realization of deferred tax assets is dependent upon the ability to generate taxable income in future periods. The Company evaluated available evidence supporting the realization of its deferred tax assets and determined it is more likely than not that deferred tax assets will be realized.

A reconciliation of federal income taxes derived from statutory federal tax rates (35 percent in 2003, 2002 and 2001) applied to pre-tax income from continuing operations as set forth in the accompanying Consolidated Statements of Income is as follows for the years ended December 31 (dollars in thousands):

| | 2003 | 2002 | 2001 |
|---|---|---|---|
| Federal income taxes at statutory rates | $30,094 | $26,958 | $38,089 |
| Increase (decrease) in tax resulting from: | | | |
| Accelerated tax depreciation | 4,046 | 5,166 | 5,849 |
| State income tax expense | 1,283 | 2,348 | (8,870) |
| Prior year audit adjustments | 457 | - | (395) |
| Other-net | (540) | 377 | 5,912 |
| Total income tax expense | $35,340 | $34,849 | $40,585 |
| **Income Tax Expense Consisted of the Following:** | | | |
| Federal taxes currently provided | $ 6,945 | $75,136 | $(38,556) |
| Deferred federal income taxes | 28,395 | (40,287) | 79,141 |
| Total income tax expense | $35,340 | $34,849 | $40,585 |
| **Income Tax Expense by Business Segment:** | | | |
| Avista Utilities | $26,884 | $32,137 | $20,177 |
| Energy Marketing and Resource Management | 11,457 | 12,311 | 32,489 |
| Avista Advantage | (718) | (2,289) | (5,778) |
| Other | (2,283) | (7,310) | (6,303) |
| Total income tax expense | $35,340 | $34,849 | $40,585 |

**NOTE 11. ENERGY PURCHASE CONTRACTS**

Avista Utilities has contracts related to the purchase of fuel for thermal generation, natural gas and hydroelectric power. The termination dates of the contracts range from one month to the year 2044. Avista Utilities also has various agreements for the purchase, sale or exchange of electric energy with other utilities, cogenerators, small power producers and government agencies. Total expenses for power purchased, natural gas purchased, fuel for generation and other fuel costs, which are included in resource costs in the Consolidated Statements of Income, were $464.1 million, $382.4 million and $1,054.2 million in 2003, 2002 and 2001, respectively.

The following table details future contractual commitments for power resources (including transmission contracts) and natural gas resources (including transportation contracts) (dollars in thousands):

| | 2004 | 2005 | 2006 | 2007 | 2008 | Thereafter | Total |
|---|---|---|---|---|---|---|---|
| Power resources | $156,729 | $ 90,379 | $ 90,124 | $ 92,203 | $ 91,788 | $439,079 | $ 960,302 |
| Natural gas resources | 183,207 | 76,593 | 49,375 | 49,872 | 43,421 | 355,856 | 758,324 |
| Total | $339,936 | $166,972 | $139,499 | $142,075 | $135,209 | $794,935 | $1,718,626 |

All of the energy purchase contracts were entered into as part of Avista Utilities' obligation to serve its retail natural gas and electric customers' energy requirements. As a result, these costs are generally recovered either through base retail rates or adjustments to retail rates as part of the power and natural gas cost deferral and recovery mechanisms.

In addition, Avista Utilities has operational agreements, settlements and other contractual obligations with respect to its generation, transmission and distribution facilities. The expenses associated with these agreements are reflected as operations and maintenance expenses in the Consolidated Statements of Income. The following table details future contractual commitments with respect to these agreements (dollars in thousands):

| | 2004 | 2005 | 2006 | 2007 | 2008 | Thereafter | Total |
|---|---|---|---|---|---|---|---|
| Contractual obligations | $12,417 | $12,417 | $12,417 | $12,417 | $12,417 | $173,870 | $235,955 |

Avista Utilities has fixed contracts with certain Public Utility Districts (PUD) to purchase portions of the output of certain generating facilities. Although Avista Utilities has no investment in the PUD generating facilities, the fixed contracts obligate Avista Utilities to pay certain minimum amounts (based in part on the debt service requirements of the PUD) whether or not the facility is operating. The cost of power obtained under the contracts, including payments made when a facility is not operating, is included in resource costs in the Consolidated Statements of Income. Expenses under these PUD contracts were $8.5 million, $7.8 million and $7.4 million in 2003, 2002 and 2001, respectively.

Information as of December 31, 2003, pertaining to these PUD contracts is summarized in the following table (dollars in thousands):

| | Company's Current Share of | | | | | |
|---|---|---|---|---|---|---|
| | Output | Kilowatt Capability | Annual Costs (1) | Debt Service Costs (1) | Bonds Outstanding | Expiration Date |
| Chelan County PUD: | | | | | | |
| Rocky Reach Project | 2.9% | 37,000 | $2,222 | $1,405 | $ 3,441 | 2011 |
| Douglas County PUD: | | | | | | |
| Wells Project | 3.5 | 30,000 | 1,168 | 550 | 4,966 | 2018 |
| Grant County PUD: | | | | | | |
| Priest Rapids Project | 6.1 | 55,000 | 1,992 | 798 | 11,265 | 2040 |
| Wanapum Project | 8.2 | 75,000 | 3,139 | 1,587 | 15,290 | 2040 |
| Totals | | 197,000 | $8,521 | $4,340 | $34,962 | |

(1) The annual costs will change in proportion to the percentage of output allocated to Avista Utilities in a particular year. Amounts represent the operating costs for the year 2003. Debt service costs are included in annual costs.

The estimated aggregate amounts of required minimum payments (Avista Utilities' share of existing debt service costs) under these PUD contracts are as follows (dollars in thousands):

| | 2004 | 2005 | 2006 | 2007 | 2008 | Thereafter | Total |
|---|---|---|---|---|---|---|---|
| Minimum payments | $3,351 | $3,665 | $2,845 | $3,310 | $3,172 | $22,758 | $39,101 |

In addition, Avista Utilities will be required to pay its proportionate share of the variable operating expenses of these projects.

**NOTE 12. LONG-TERM DEBT**

The following details the interest rate and maturity dates of long-term debt outstanding as of December 31 (dollars in thousands):

| Maturity Year | Description | Interest Rate | 2003 | 2002 |
|---|---|---|---|---|
| 2003 | Secured Medium-Term Notes | 6.25% | $ - | $ 15,000 |
| 2005 | Secured Medium-Term Notes | 6.39%-6.68% | 29,500 | 29,500 |
| 2005 | WP Funding LP Note | 8.36% | 54,572 (1) | - |
| 2006 | Secured Medium-Term Notes | 7.89%-7.90% | 30,000 | 30,000 |
| 2007 | First Mortgage Bonds | 7.75% | 150,000 | 150,000 |
| 2008 | Secured Medium-Term Notes | 6.89%-6.95% | 20,000 | 20,000 |
| 2010 | Secured Medium-Term Notes | 6.67%-6.90% | 10,000 | 10,000 |
| 2012 | Secured Medium-Term Notes | 7.37% | 7,000 | 7,000 |
| 2013 | First Mortgage Bonds | 6.13% | 45,000 | - |
| 2018 | Secured Medium-Term Notes | 7.26%-7.45% | 27,500 | 27,500 |
| 2023 | Secured Medium-Term Notes | 7.18%-7.54% | 24,500 | 24,500 |
| | Total secured long-term debt | | 398,072 | 313,500 |
| 2003 | Unsecured Medium-Term Notes | 6.75%-9.13% | - | 56,250 |
| 2004 | Unsecured Medium-Term Notes | 7.42% | 28,500 | 30,000 |
| 2006 | Unsecured Medium-Term Notes | 8.14% | 8,000 | 8,000 |
| 2007 | Unsecured Medium-Term Notes | 5.99%-7.94% | 25,850 | 26,000 |
| 2008 | Senior Notes | 9.75% | 317,683 | 341,529 |
| 2008 | Unsecured Medium-Term Notes | 6.06% | 25,000 | 25,000 |
| 2010 | Unsecured Medium-Term Notes | 8.02% | 25,000 | 25,000 |
| 2012 | Unsecured Medium-Term Notes | 8.05% | - | 12,000 |
| 2022 | Unsecured Medium-Term Notes | 8.15%-8.23% | 5,000 | 10,000 |
| 2023 | Unsecured Medium-Term Notes | 7.99% | 5,000 | 5,000 |
| 2023 | Pollution Control Bonds | 6.00% | 4,100 | 4,100 |
| 2028 | Unsecured Medium-Term Notes | 6.37%-6.88% | 25,000 | 35,000 |
| 2032 | Pollution Control Bonds | 5.00% | 66,700 | 66,700 |
| 2034 | Pollution Control Bonds | 5.13% | 17,000 | 17,000 |
| | Total unsecured long-term debt | | 552,833 | 661,579 |
| | Capital lease obligations | | 5,812 | 1,613 |
| | Unamortized debt discount | | (1,994) | (2,161) |
| | Total | | 954,723 | 974,531 |
| | Current portion of long-term debt | | (29,711) | (71,896) |
| | Total long-term debt | | $925,012 | $902,635 |

(1) As discussed in Note 2, represents the long-term debt of WP Funding LP, an entity that was consolidated in 2003 under FIN 46.

The following table details future long-term debt maturities, including long-term debt to affiliated trusts (see Note 13) (dollars in thousands):

| Year | 2004 | 2005 | 2006 | 2007 | 2008 | Thereafter | Total |
|---|---|---|---|---|---|---|---|
| Debt maturities | $28,500 | $84,072 | $38,000 | $175,850 | $362,683 | $375,203 | $1,064,308 |

In addition to the required maturities documented in the table above, the Company has sinking fund requirements of $3.4 million in each of 2004 and 2005, $3.1 million in 2006, $2.8 million in 2007 and $1.3 million in 2008. Under its Mortgage and Deed of Trust, the Company's sinking fund requirements may be met by certification of property additions at the rate of 143 percent of requirements. All of the Company's utility plant is subject to the lien of the Mortgage and Deed of Trust securing outstanding First Mortgage Bonds.

In September 2003, the Company issued $45.0 million of 6.125 percent First Mortgage Bonds due in 2013. The proceeds were used to repay a portion of the borrowings under the $245.0 million line of credit that were used on an interim basis to fund $46.0 million of maturing 9.125 percent Unsecured Medium-Term Notes.

In September 1999, $83.7 million of Pollution Control Revenue Refunding Bonds (Avista Corporation Colstrip Project), Series 1999A due 2032 and Series 1999B due 2034 were issued by the City of Forsyth, Montana. The proceeds of the bonds were utilized to refund the $66.7 million of 7.13 percent First Mortgage Bonds due 2013 and the $17.0 million of 7.40 percent First Mortgage Bonds due 2016. The Series 1999A and Series 1999B Bonds are backed by an insurance policy issued by AMBAC Assurance Corporation. In January 2002, the interest rate on the bonds was fixed for a period of seven years at a rate of 5.00 percent for Series 1999A and 5.13 percent for Series 1999B.

The following table details the Company's debt repurchases prior to scheduled maturity during 2003 (dollars in thousands):

| Repurchase Date | Description | Interest Rate | Maturity Year | Principal Amount |
|---|---|---|---|---|
| January 2003 | Unsecured Senior Notes | 9.75% | 2008 | $10,000 |
| February 2003 | Unsecured Senior Notes | 9.75% | 2008 | 505 |
| March 2003 | Unsecured Medium-Term Notes | 8.23% | 2022 | 5,000 |
| April 2003 | Unsecured Medium-Term Notes | 6.88% | 2028 | 10,000 |
| May 2003 | Unsecured Medium-Term Notes | 5.99% | 2007 | 150 |
| June 2003 | Unsecured Medium-Term Notes | 7.42% | 2004 | 1,500 |
| July 2003 | Unsecured Medium-Term Notes | 8.05% | 2012 | 12,000 |
| July 2003 | Unsecured Senior Notes | 9.75% | 2008 | 3,000 |
| August 2003 | Unsecured Senior Notes | 9.75% | 2008 | 10,330 |
| | Total debt repurchases | | | $52,485 |

In accordance with regulatory accounting practices, the total net premium on the repurchase of debt of $1.7 million will be amortized over the average remaining maturity of outstanding debt.

As of December 31, 2003, the Company had remaining authorization to issue up to $176.0 million of Unsecured Medium-Term Notes. The Company also has $105.0 million of either secured or unsecured debt remaining under a registration statement filed on Form S-3 with the Securities and Exchange Commission in June 2003.

The Mortgage and Deed of Trust securing the Company's First Mortgage Bonds contains limitations on the amount of First Mortgage Bonds, which may be issued based on, among other things, a 70 percent debt-to-collateral ratio, and/or retired First Mortgage Bonds, and a 2.00 to 1 net earnings to First Mortgage Bond interest ratio. Under various financing agreements, the Company is also restricted as to the amount of additional First Mortgage Bonds that it can issue. As of December 31, 2003, the Company could issue $93.1 million of additional First Mortgage Bonds under the most restrictive of these financing agreements.

**NOTE 13. LONG-TERM DEBT TO AFFILIATED TRUSTS**

In 1997, the Company issued 7.875 percent Junior Subordinated Deferrable Interest Debentures, Series A, with a principal amount of $61.9 million to Avista Capital I, a business trust. Avista Capital I issued $60.0 million of Preferred Trust Securities with an annual distribution rate of 7.875 percent. Concurrent with the issuance of the Preferred Trust Securities, Avista Capital I issued $1.9 million of Common Trust Securities to the Company. These debt securities may be redeemed at the option of Avista Capital I on or after January 15, 2002 and mature January 15, 2037; however, this is limited by an agreement under the Company's 9.75 percent Senior Notes that mature in 2008.

In 1997, the Company issued Floating Rate Junior Subordinated Deferrable Interest Debentures, Series B, with a principal amount of $51.5 million to Avista Capital II, a business trust. Avista Capital II issued $50.0 million of Preferred Trust Securities with a floating distribution rate of LIBOR plus 0.875 percent, calculated and reset quarterly. The annual distribution rate paid during 2003 ranged from 2.02 percent to 2.30 percent. As of December 31, 2003, the annual distribution rate was 2.02 percent. Concurrent with the issuance of the Preferred Trust Securities, Avista Capital II issued $1.5 million of Common Trust Securities to the Company. These debt securities may be redeemed at the option of Avista Capital II on or after June 1, 2007 and mature June 1, 2037; however, this is limited by an agreement under the Company's 9.75 percent Senior Notes that mature in 2008. In December 2000, the Company purchased $10.0 million of these Preferred Trust Securities.

The Company has guaranteed the payment of distributions on, and redemption price and liquidation amount with respect to, the Preferred Trust Securities to the extent that Avista Capital I and Avista Capital II have funds available for such payments from the respective debt securities. Upon maturity or prior redemption of such debt securities, the Trust Securities will be mandatorily redeemed. As discussed in Note 2, FIN 46 results in the Company no longer including Avista Capital I and Avista Capital II in its consolidated financial statements as of December 31, 2003.

**NOTE 14. SHORT-TERM BORROWINGS**

On May 13, 2003, the Company amended its committed line of credit with various banks to increase the amount to $245.0 million from $225.0 million and extend the expiration date to May 11, 2004. The Company can request the issuance of up to $75.0 million in letters of credit under the amended committed line of credit. As of December 31, 2003 and 2002, the Company had $80.0 million and $30.0 million, respectively, of borrowings outstanding under this committed line of credit. As of December 31, 2003 and 2002, there were $10.7 million and $14.3 million in letters of credit outstanding, respectively. The committed line of credit is secured by $245.0 million of non-transferable first mortgage bonds of the Company issued to the agent bank. Such first mortgage bonds would only become due and payable in the event, and then only to the extent, that the Company defaults on its obligations under the committed line of credit.

The committed line of credit agreement contains customary covenants and default provisions, including covenants not to permit the ratio of "consolidated total debt" (not including preferred stock, long-term debt to affiliated trusts or WP Funding LP debt) to "consolidated total capitalization" of Avista Corp. to be greater than 65 percent at the end of any fiscal quarter. As of December 31, 2003, the Company was in compliance with this covenant with a ratio of 52.6 percent. The committed line of credit also has a covenant requiring the ratio of "earnings before interest, taxes, depreciation and amortization" to "interest expense" of Avista Utilities for the twelve-month period ending December 31, 2003 to be greater than 1.6 to 1. As of December 31, 2003, the Company was in compliance with this covenant with a ratio of 2.3 to 1. The covenant calculations exclude the effect of changes in accounting standards.

The Company had a commercial paper program that also provided for fixed-term loans during 2001. None of these arrangements were in place as of December 31, 2003 and 2002.

Balances and interest rates of bank borrowings under these arrangements were as follows as of and for the years ended December 31 (dollars in thousands):

| | 2003 | 2002 | 2001 |
|---|---|---|---|
| **Balance outstanding at end of period:** | | | |
| Commercial paper | $ - | $ - | $ - |
| Revolving credit agreement | 80,000 | 30,000 | 55,000 |
| **Maximum balance outstanding during the period:** | | | |
| Commercial paper | $ - | $ - | $ 11,160 |
| Revolving credit agreement | 85,000 | 90,000 | 223,000 |
| **Average balance outstanding during the period:** | | | |
| Commercial paper | $ - | $ - | $ 558 |
| Revolving credit agreement | 26,304 | 47,027 | 108,996 |
| **Average interest rate during the period:** | | | |
| Commercial paper | -% | -% | 7.80% |
| Revolving credit agreement | 2.99 | 3.59 | 5.95 |
| **Average interest rate at end of period:** | | | |
| Commercial paper | -% | -% | -% |
| Revolving credit agreement | 3.70 | 3.39 | 5.42 |

## NOTE 15. INTEREST RATE SWAP AGREEMENTS

On May 7, 2003, Avista Corp. terminated an interest rate swap agreement that was entered into on July 17, 2002. This interest rate swap agreement effectively changed the interest rate on $25 million of Unsecured Senior Notes from a fixed rate of 9.75 percent to a variable rate based on LIBOR. With the termination of the interest rate swap agreement, Avista Corp. received $1.5 million, which was recorded as a deferred credit (as part of long-term debt) and will be amortized over the remaining term of the original agreement (through June 1, 2008).

## NOTE 16. LEASES

The Company has multiple lease arrangements involving various assets, with minimum terms ranging from one to twenty-five years. The Company's most significant leased asset is the corporate office building. Certain lease arrangements require the Company, upon the occurrence of specified events, to purchase the leased assets. The Company's management believes the likelihood of the occurrence of the specified events under which the Company could be required to purchase the leased assets is remote. Rental expense under operating leases for 2003, 2002 and 2001 was $14.2 million, $21.7 million and $19.8 million, respectively.

Future minimum lease payments required under operating leases having initial or remaining noncancelable lease terms in excess of one year as of December 31, 2003 were as follows (dollars in thousands):

| Year ending December 31: | 2004 | 2005 | 2006 | 2007 | 2008 | Thereafter | Total |
|---|---|---|---|---|---|---|---|
| Minimum payments required | $7,479 | $3,405 | $2,835 | $2,651 | $2,655 | $6,939 | $25,964 |

The payments under the Avista Corp. capital leases are $0.8 million in each of 2004, 2005 and 2006, $0.7 million in 2007 and $0.6 million in 2008.

## NOTE 17. GUARANTEES

The Company has guaranteed the payment of distributions on, and redemption price and liquidation amount with respect to, the Preferred Trust Securities issued by its affiliates, Avista Capital I and Avista Capital II, to the extent that these entities have funds available for such payments from the respective debt securities.

Avista Power, through its equity investment in RP LLC, is a 49 percent owner of the Lancaster Project, which commenced commercial operation in September 2001. Commencing with commercial operations, all of the output from the Lancaster Project is contracted to Avista Energy through 2026 years under a Power Purchase Agreement. Avista Corp. has guaranteed the Power Purchase Agreement with respect to the performance of Avista Energy.

## NOTE 18. PREFERRED STOCK-CUMULATIVE

In March 2003, the Company repurchased 17,500 shares of preferred stock for $1.6 million, satisfying its redemption requirement for 2003. In September 2002, the Company made a mandatory redemption of 17,500 shares of preferred stock for $1.75 million. On September 15, 2004, 2005 and 2006, the Company must redeem 17,500 shares at $100 per share plus accumulated dividends through a mandatory sinking fund. As such, redemption requirements are $1.75 million in each of the years 2004 through 2006. The remaining shares must be redeemed on September 15, 2007. The Company has the right to redeem an additional 17,500 shares on each September 15 redemption date; however, this right is limited by an agreement under the Company's 9.75 percent Senior Notes that mature in 2008. Upon involuntary liquidation, all preferred stock will be entitled to $100 per share plus accrued dividends.

As discussed in Note 2, the Company adopted SFAS No. 150 effective July 1, 2003. The adoption of this statement requires the Company to classify preferred stock subject to mandatory redemption as liabilities and preferred stock dividends as interest expense. The restatement of prior periods was not permitted.

**NOTE 19. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The carrying values of cash and cash equivalents, restricted cash, accounts and notes receivable, accounts payable and short-term borrowings are reasonable estimates of their fair values. Energy commodity assets and liabilities as well as securities held for trading are reported at estimated fair value on the Consolidated Balance Sheet.

The fair value of the Company's long-term debt (including current-portion, but excluding capital leases) as of December 31, 2003 and 2002 was estimated to be $1,067.3 million, or 112 percent of the carrying value of $950.9 million, and $1,001.2 million, or 103 percent of the carrying value of $975.1 million, respectively. The fair value of the Company's mandatorily redeemable preferred stock as of December 31, 2003 and 2002 was estimated to be $29.9 million, or 95 percent of the carrying value of $31.5 million, and $29.3 million, or 88 percent of the carrying value of $33.3 million, respectively. The fair value of the Company's long-term debt to affiliated trusts as of December 31, 2003 was estimated to be $99.5 million, or 90 percent of the carrying value of $110.0 million. The carrying value as of December 31, 2003 does not include $3.4 million of debt that is considered common equity by the affiliated trusts. The fair value of the Company's preferred trust securities as of December 31, 2002 was estimated to be $89.6 million, or 90 percent of the carrying value of $100.0 million. These estimates were primarily based on available market information.

**NOTE 20. COMMON STOCK**

In April 1990, the Company sold 1,000,000 shares of its common stock to the Trustee of the Investment and Employee Stock Ownership Plan for Employees of the Company (Plan) for the benefit of the participants and beneficiaries of the Plan. In payment for the shares of common stock, the Trustee issued a promissory note payable to the Company in the amount of $14.1 million. Dividends paid on the stock held by the Trustee, plus Company contributions to the Plan, if any, are used by the Trustee to make interest and principal payments on the promissory note. The balance of the promissory note receivable from the Trustee ($2.4 million as of December 31, 2003) is reflected as a reduction to common equity. The shares of common stock are allocated to the accounts of participants in the Plan as the note is repaid. During 2003, the cost recorded for the Plan was $6.9 million. Interest on the note payable to the Company, cash and stock contributions to the Plan and dividends on the shares held by the Trustee was $0.3 million, $1.7 million and $0.1 million, respectively during 2003.

In November 1999, the Company adopted a shareholder rights plan pursuant to which holders of common stock outstanding on February 15, 1999, or issued thereafter, were granted one preferred share purchase right (Right) on each outstanding share of common stock. Each Right, initially evidenced by and traded with the shares of common stock, entitles the registered holder to purchase one one-hundredth of a share of preferred stock of the Company, without par value, at a purchase price of $70, subject to certain adjustments, regulatory approval and other specified conditions. The Rights will be exercisable only if a person or group acquires 10 percent or more of the outstanding shares of common stock or commences a tender or exchange offer, the consummation of which would result in the beneficial ownership by a person or group of 10 percent or more of the outstanding shares of common stock. Upon any such acquisition, each Right will entitle its holder to purchase, at the purchase price, that number of shares of common stock or preferred stock of the Company (or, in the case of a merger of the Company into another person or group, common stock of the acquiring person or group) that has a market value at that time equal to twice the purchase price. In no event will the Rights be exercisable by a person that has acquired 10 percent or more of the Company's common stock. The Rights may be redeemed, at a redemption price of $0.01 per Right, by the Board of Directors of the Company at any time until any person or group has acquired 10 percent or more of the common stock. The Rights expire on March 31, 2009. This plan replaced a similar shareholder rights plan that expired in February 2000.

The Company has a Dividend Reinvestment and Stock Purchase Plan under which the Company's shareholders may automatically reinvest their dividends and make optional cash payments for the purchase of the Company's common stock at current market value.

From March 2000 through May 2003, the Company issued shares of its common stock to the Employee Investment Plan rather than having the Plan purchase shares of common stock on the open market. In the fourth quarter of 2000, the Company also began issuing new shares of common stock for the Dividend Reinvestment and Stock Purchase Plan. During 2003, 2002 and 2001, a total of 299,801, 408,800 and 332,861 shares of common stock were issued, respectively, to these plans.

## NOTE 21. EARNINGS PER COMMON SHARE

The following table presents the computation of basic and diluted earnings per common share for the years ended December 31 (in thousands, except per share amounts):

| | 2003 | 2002 | 2001 |
|---|---|---|---|
| **Numerator:** | | | |
| Income from continuing operations | $50,643 | $42,174 | $68,241 |
| Loss from discontinued operations | (4,949) | (6,719) | (56,085) |
| Net income before cumulative effect of accounting change | 45,694 | 35,455 | 12,156 |
| Cumulative effect of accounting change | (1,190) | (4,148) | - |
| Net income | 44,504 | 31,307 | 12,156 |
| Deduct: Preferred stock dividend requirements | 1,125 | 2,402 | 2,432 |
| Income available for common stock | $43,379 | $28,905 | $ 9,724 |
| **Denominator:** | | | |
| Weighted-average number of common shares outstanding-basic | 48,232 | 47,823 | 47,417 |
| Effect of dilutive securities: | | | |
| Restricted stock | - | 2 | 5 |
| Contingent stock | 244 | - | - |
| Stock options | 154 | 49 | 13 |
| Weighted-average number of common shares outstanding-diluted | 48,630 | 47,874 | 47,435 |
| **Earnings per common share, basic:** | | | |
| Earnings per common share from continuing operations | $1.03 | $0.83 | $1.39 |
| Loss per common share from discontinued operations | (0.10) | (0.14) | (1.18) |
| Earnings per common share before cumulative effect of accounting change | 0.93 | 0.69 | 0.21 |
| Loss per common share from cumulative effect of accounting change | (0.03) | (0.09) | - |
| Total earnings per common share, basic | $0.90 | $0.60 | $0.21 |
| **Earnings per common share, diluted:** | | | |
| Earnings per common share from continuing operations | $1.02 | $0.83 | $1.38 |
| Loss per common share from discontinued operations | (0.10) | (0.14) | (1.18) |
| Earnings per common share before cumulative effect of accounting change | 0.92 | 0.69 | 0.20 |
| Loss per common share from cumulative effect of accounting change | (0.03) | (0.09) | - |
| Total earnings per common share, diluted | $0.89 | $0.60 | $0.20 |

## NOTE 22. STOCK COMPENSATION PLANS

*Avista Corp.*

In 1998, the Company adopted and shareholders approved an incentive compensation plan, the Long-Term Incentive Plan (1998 Plan). Under the 1998 Plan, certain key employees, directors and officers of the Company and its subsidiaries may be granted stock options, stock appreciation rights, stock awards (including restricted stock) and other stock-based awards and dividend equivalent rights. The Company has available a maximum of 2.5 million shares of its common stock for grant under the 1998 Plan. Beginning in 2000, non-employee directors began receiving options under this plan.

In 2000, the Company adopted a Non-Officer Employee Long-Term Incentive Plan (2000 Plan), which was not required to be approved by shareholders. The provisions of the 2000 Plan are essentially the same as those under the 1998 Plan, except for the exclusion of directors and executive officers of the Company. The Company has available a maximum of 2.5 million shares of its common stock for grant under the 2000 Plan.

The Board of Directors has determined that it is no longer in the Company's best interest to issue stock options under the 1998 Plan and the 2000 Plan. Other forms of compensation are in place including the issuance of performance shares to certain officers and other key employees under the 1998 Plan and the 2000 Plan.

The Company accounts for stock based compensation using APB No. 25, "Accounting for Stock Issued to Employees," which requires the recognition of compensation expense on the excess, if any, of the market price of the stock at the date of grant over the exercise price of the option. As the exercise price for options granted under the 1998 Plan and the 2000 Plan was equal to the market price at the date of grant, there was no compensation expense recorded by the Company. SFAS No. 123, "Accounting for Stock-Based Compensation," requires the disclosure of pro forma net income and earnings per common share had the Company adopted the fair value method of accounting for stock options. Under this statement, the fair value of stock-based awards is calculated with option pricing models. These models require the use of subjective assumptions, including stock price volatility, dividend yield, risk-free interest rate and expected time to exercise. The fair value of options is estimated on the date of grant using the Black-Scholes option-pricing model. See Note 1 for disclosure of pro forma net income and earnings per common share.

In 2003, the Company granted 162,600 performance shares to certain officers and other key employees under the 1998 Plan and the 2000 Plan. The performance shares will be payable at the Company's option in either cash or common stock three years from the date of grant. The amount of cash paid or common stock issued will range from 0 to 150 percent of the performance shares granted depending on the change in the value of the Company's common stock relative to an external benchmark.

Shares of common stock issued from the exercise of stock options under the 1998 Plan and the 2000 Plan are acquired by the Company on the open market. As of December 31, 2003, there were 2.2 million shares available for future stock grants under the 1998 Plan and the 2000 Plan.

The following summarizes stock options activity under the 1998 Plan and the 2000 Plan for the years ended December 31:

| | 2003 | 2002 | 2001 |
|---|---|---|---|
| Number of shares under stock options: | | | |
| Options outstanding at beginning of year | 2,684,350 | 2,440,475 | 1,843,900 |
| Options granted | 24,000 | 569,800 | 781,900 |
| Options exercised | (37,439) | - | (2,750) |
| Options canceled | (189,025) | (325,925) | (182,575) |
| Options outstanding at end of year | 2,481,886 | 2,684,350 | 2,440,475 |
| Options exercisable at end of year | 1,615,455 | 1,192,775 | 883,075 |
| Weighted average exercise price: | | | |
| Options granted | $12.41 | $10.51 | $12.43 |
| Options exercised | $11.43 | - | $17.96 |
| Options canceled | $17.78 | $19.88 | $19.22 |
| Options outstanding at end of year | $15.57 | $15.69 | $17.49 |
| Options exercisable at end of year | $17.18 | $18.28 | $19.28 |
| Weighted average fair value of options granted during the year | $ 4.30 | $ 3.43 | $ 5.54 |
| Principal assumptions used in applying the Black-Scholes model: | | | |
| Risk-free interest rate | 3.17% | 3.25%-4.96% | 4.05%-5.13% |
| Expected life, in years | 7 | 7 | 7 |
| Expected volatility | 37.10% | 47.13% | 60.80% |
| Expected dividend yield | 3.87% | 4.61% | 3.93% |

Information with respect to options outstanding and options exercisable as of December 31, 2003 was as follows:

| | Options Outstanding | | | Options Exercisable | |
|---|---|---|---|---|---|
| Range of Exercise Prices | Number of Shares | Weighted Average Exercise Price | Weighted Average Remaining Life (in years) | Number of Shares | Weighted Average Exercise Price |
| $8.77-$11.68 | 523,161 | $10.25 | 8.8 | 131,605 | $10.25 |
| $11.69-$14.61 | 652,525 | 11.82 | 7.9 | 312,825 | 11.80 |
| $14.62-$17.53 | 540,400 | 17.14 | 6.1 | 504,900 | 17.20 |
| $17.54-$20.45 | 289,800 | 18.73 | 5.1 | 288,750 | 18.72 |
| $20.46-$23.38 | 449,800 | 22.56 | 6.7 | 353,975 | 22.56 |
| $26.30-$28.47 | 26,200 | 27.39 | 6.2 | 23,400 | 27.26 |
| Total | 2,481,886 | $15.57 | 7.2 | 1,615,455 | $17.18 |

***Non-Employee Director Stock Plan***

In 1996, the Company adopted and shareholders approved the Non-Employee Director Stock Plan (1996 Director Plan). Under the 1996 Director Plan, directors who are not employees of the Company receive two-thirds of their annual retainer in Avista Corp. common stock. The Company acquires the common stock on the open market. The Company has available a maximum of 150,000 shares of its common stock under the 1996 Director Plan and there were 65,553 shares available for future compensation to non-employee directors as of December 31, 2003.

**NOTE 23. COMMITMENTS AND CONTINGENCIES**

The Company believes, based on the information presently known, that the ultimate liability for the matters discussed in this note, individually or in the aggregate, taking into account established accruals for estimated liabilities, will not be material to the consolidated financial condition of the Company, but could be material to results of operations or cash flows for a particular quarter or annual period. No assurance can be given, however, as to the ultimate outcome with respect to any particular issue.

**Federal Energy Regulatory Commission Inquiry**

In February 2002, the Federal Energy Regulatory Commission (FERC) issued an order commencing a fact-finding investigation of potential manipulation of electric and natural gas prices in the California energy markets by multiple companies. On May 8, 2002, the FERC requested data and information with respect to certain trading strategies in which the companies may have engaged. Specifically, the requests inquired as to whether or not the Company engaged in certain trading strategies that were the same or similar to those used by Enron Corporation (Enron) and its affiliates. These requests were made to all sellers of wholesale electricity and/or ancillary services in power markets in the western United States during 2000 and 2001, including Avista Corp. and Avista Energy. On May 22, 2002, Avista Corp. and Avista Energy filed their responses to this request indicating that both companies had engaged in sound business practices in accordance with established market rules, and that no information was evident from business records or employee interviews that would indicate that Avista Corp. or Avista Energy, or its employees, were knowingly engaged in these trading strategies, or any variant of the strategies.

On June 4, 2002, the FERC issued an additional order to Avista Corp. and three other companies requiring these companies to show cause within ten days as to why their authority to charge market-based rates should not be revoked. In this order, the FERC alleged that Avista Corp. failed to respond fully and accurately to the data request made on May 8, 2002. On June 14, 2002, Avista Corp. provided additional information in response to the June 4, 2002 FERC order to establish that its initial response was appropriate and adequate.

On August 13, 2002, the FERC issued an order to initiate an investigation into possible misconduct by Avista Corp. and Avista Energy and two affiliates of Enron: Enron Power Marketing, Inc. (EPMI) and Portland General Electric Corporation (PGE). The purpose of the investigation was to determine whether Avista Corp. and Avista Energy engaged in or facilitated certain Enron trading strategies, whether Avista Corp.'s or Avista Energy's role in transactions with EPMI and PGE resulted in the circumvention of a code of conduct governing transactions with affiliates, and the imposition of any appropriate remedies such as refunds and revocation of market-based rates. The investigation also explored whether the companies provided all relevant information in response to the May 8, 2002 data request.

In December 2002, as a result of the investigation, the FERC trial staff, Avista Corp. and Avista Energy filed a joint motion announcing that the parties had reached an agreement in principle and requested that the procedural schedule be suspended. In the joint motion, the FERC trial staff stated that its investigation found no evidence that: (1) any executives or employees of Avista Utilities or Avista Energy knowingly engaged in or facilitated any improper trading strategy; (2) Avista Utilities or Avista Energy engaged in any efforts to manipulate the western energy markets during 2000 and 2001; and (3) Avista Utilities or Avista Energy withheld relevant information from the FERC's inquiry into the western energy markets for 2000 and 2001. In December 2002, the FERC's administrative law judge approved the joint motion, suspending the procedural schedule in the FERC investigation regarding Avista Corp. and Avista Energy. In January 2003, the FERC trial staff, Avista Corp. and Avista Energy filed a completed agreement in resolution of the proceeding with the administrative law judge. The parties requested that the administrative law judge certify the agreement and forward it to the FERC commissioners for acceptance following a 30-day comment period.

In February 2003, the City of Tacoma (Tacoma) and California Parties (the Office of the Attorney General, the California Public Utilities Commission (CPUC), and the California Electricity Oversight Board, filing jointly) filed comments in opposition to the agreement in resolution between the FERC trial staff, Avista Corp. and Avista Energy. PGE filed comments supporting the agreement in resolution, but took exception to how certain transactions were reported. On March 3, 2003, Avista Corp. and Avista Energy filed joint reply comments in response to Tacoma, the California Parties, and PGE. The FERC trial staff filed separate reply comments supporting the agreement in resolution and responding to Tacoma, the California Parties and PGE. The reply comments of Avista Corp., Avista Energy and the FERC trial staff also reiterated the request that the administrative law judge certify the agreement in resolution and forward it to the FERC commissioners for approval.

On March 26, 2003, the FERC policy staff issued its final report on their investigation of western energy markets. In the report, the FERC policy staff recommended the issuance of "show cause" orders to dozens of companies to respond to allegations of possible misconduct in the western energy markets during 2000 and 2001. Of the companies named in the March 26, 2003 report, Avista Corp. and Avista Energy were among the few that had already been the subjects of a FERC investigation.

At an April 9, 2003 prehearing conference relating to the ongoing investigation of Avista Corp. and Avista Energy, Avista Corp. proposed that the decision to certify the agreement between Avista Corp., Avista Energy and the FERC trial staff be delayed to further address certain issues and to allow for potential uncertainty to be removed with respect to the final resolution of the case. The FERC's administrative law judge agreed and ordered a further prehearing conference to clarify certain issues raised in the March 26, 2003 FERC policy staff report on western energy markets.

On May 15, 2003, the FERC's trial staff submitted supplementary information explaining its conclusions and addressing three narrowly focused issues related to the March 26, 2003 FERC policy staff report on western energy markets. The FERC's administrative law judge held a further prehearing conference on May 20, 2003, at which time the FERC trial staff reviewed its findings and conclusions, and reiterated their recommendation to certify the agreement in resolution as supplemented. On May 27, 2003, Tacoma and the California Parties reiterated their objections to the proposed agreement in resolution. Avista Corp., Avista Energy and the FERC trial staff each filed reply comments to Tacoma and the California Parties on June 3, 2003, reiterating their recommendations to the FERC's administrative law judge for certification of the agreement in resolution.

On June 25, 2003, the FERC's administrative law judge issued an order denying the request to certify the agreement in resolution and to forward it to the FERC commissioners for final approval. In the June 25, 2003 order, the FERC's administrative law judge reinstated a procedural schedule that called for further testimony and hearings in the case.

On July 10, 2003, Avista Corp. and Avista Energy filed an appeal to the June 25, 2003 order. In the appeal, Avista Corp. and Avista Energy asserted that the FERC's administrative law judge did not have the opportunity to consider how other orders, which were also issued on June 25, 2003 by the FERC with respect to western energy markets and Enron, would impact the case. Those orders provided additional guidance with respect to defining improper trading activities with the effect of further validating the findings of the FERC trial staff's investigation of Avista Corp. and Avista Energy. On July 10, 2003, the FERC trial staff also filed a motion with the FERC's administrative law judge asking for clarification and reconsideration of the June 25, 2003 order. The FERC's trial staff requested that the agreement in resolution be certified and forwarded to the FERC commissioners for final approval without the need for a further hearing. On July 17, 2003, Avista Corp. and Avista Energy filed an answer to this motion with the FERC, which supported the FERC trial staff's position.

On July 24, 2003, the FERC's administrative law judge issued an order, which granted the FERC trial staff's July 10, 2003 motion for reconsideration. In the order, the judge found that there were no unresolved issues of material fact and that the record was sufficient for the FERC to make a determination on the merits of the settlement. The judge certified the agreement in resolution and forwarded it to the FERC commissioners for final approval. In reaching this conclusion, the FERC's administrative law judge considered the July 10, 2003 appeal by Avista Corp. and Avista Energy. However, this appeal was denied as moot in view of granting the FERC trial staff motion for reconsideration. The certification stated that "the Chief Judge further finds that the proposed settlement disposes of all issues set for hearing in this proceeding, that it is just, reasonable, and in the public interest."

On August 8, 2003, the California Parties filed a motion with the FERC and the chief administrative law judge requesting that the judge reconsider his July 24, 2003 order granting reconsideration and canceling the procedural schedule, as well as the judge's certification of the agreement in resolution. In response to the filing, the chief administrative law judge stated that he certified the agreement in resolution and forwarded it to the FERC commissioners for their consideration. The chief administrative law judge indicated that he would advise the Secretary of the FERC that the California Parties' motion be referred to the FERC commissioners for consideration. On August 22, 2003, Avista Corp. and Avista Energy filed a response to the August 8, 2003 motion of the California Parties. The response reiterated, among other things, that the agreement in resolution is strongly supported by the extensive investigation conducted by the FERC trial staff, and should be approved by the FERC commissioners.

Final approval of the agreement in resolution has remained pending before the FERC since July 2003.

**U.S. Commodity Futures Trading Commission (CFTC) Subpoena**

Beginning in June 2002, the CFTC issued several subpoenas directing Avista Corp. and Avista Energy to produce certain materials and make employees available to be interviewed. The inquiries related to whether electricity and natural gas trades by Avista Corp. and Avista Energy involved "round trip trades," "wash trades," or "sell/buyback trades" and whether Avista Corp. and Avista Energy properly reported trading prices to publishers of power and natural gas indices. Avista Corp. and Avista Energy cooperated with the CFTC and provided the information requested by the CFTC. While the CFTC always reserves the right to reopen its investigation, the CFTC provided written notification to Avista Corp. and Avista Energy on January 29, 2004 that it has determined to close the investigation.

**Class Action Securities Litigation**

On September 27, 2002, Ronald R. Wambolt filed a class action lawsuit in the United States District Court for the Eastern District of Washington against Avista Corp., Thomas M. Matthews, the former Chairman of the Board, President and Chief Executive Officer of the Company, Gary G. Ely, the current Chairman of the Board, President and Chief Executive Officer of the Company, and Jon E. Eliassen, the former Senior Vice President and Chief Financial Officer of the Company. In October and November 2002, Gail West, Michael Atlas and Peter Arnone filed similar class action lawsuits in the same court against the same parties. On February 3, 2003, the court issued an order consolidating the complaints under the name "In re Avista Corp. Securities Litigation," and on February 7, 2003 appointed the lead plaintiff and co-lead counsel. On August 19, 2003, the plaintiffs filed their consolidated amended class action complaint in the same court against the same parties. In their complaint, the plaintiffs continue to assert violations of the federal securities laws in connection with alleged misstatements and omissions of material fact pursuant to Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. The plaintiffs allege that the Company did not have adequate risk management processes, procedures and controls. The plaintiffs further allege that the Company engaged in unlawful energy trading practices and allegedly manipulated western power markets. The plaintiffs assert that alleged misstatements and omissions have occurred in the Company's filings with the Securities and Exchange Commission and other information made publicly available by the Company, including press releases. The class action complaint asserts claims on behalf of all persons who purchased, converted, exchanged or otherwise acquired the Company's common stock during the period between November 23, 1999 and August 13, 2002. The Company filed a motion to dismiss this complaint in October 2003 and the plaintiffs filed an answer to this motion in January 2004. Arguments before the Court on the motion are scheduled to be held on March 19, 2004. The Company intends to vigorously defend against this lawsuit.

**California Energy Markets**

In March 2002, the Attorney General of the State of California (California AG) filed a complaint with the FERC against certain specific companies (not including Avista Corp. or its subsidiaries) and "all other public utility sellers" in California. The complaint alleges that sellers with market-based rates have violated their tariffs by not filing with the FERC transaction-specific information about all of their sales and purchases at market-based rates. As a result, the California AG contends that all past sales should be subject to refund if found to be above just and reasonable levels. In May 2002, the FERC issued an order denying the claim to issue refunds. In July 2002, the California AG requested a rehearing on the FERC order, which request was denied in September 2002. The California AG filed a Petition for Review of the FERC's decision with the United States Court of Appeals for the Ninth Circuit and awaits decision.

**Port of Seattle Complaint**

On May 21, 2003, the Port of Seattle filed a complaint in the United States District Court for the Western District of Washington against numerous companies, including Avista Corp., Avista Energy and Avista Power. The complaint seeks compensatory and treble damages for alleged violations of the Sherman Act and the Racketeer Influenced and Corrupt Organization Act by transmitting, via wire communications, false information intended to increase the price of power, knowing that others would rely upon such information. The complaint alleges that the defendants and others knowingly devised and attempted to devise a scheme to defraud and to obtain money and property from electricity customers throughout the WECC, by means of false and fraudulent pretenses, representations and promises. The alleged purpose of the scheme was to artificially increase the price that the defendants received for their electricity and ancillary services, to receive payments for services they did not provide and to manipulate the price of electricity throughout the WECC. In August 2003, the Company filed a motion to dismiss this complaint. A transfer order has been granted, which moves this case to the United States District Court for the Southern District of California to consolidate it with other pending actions. Arguments with respect to the motions to dismiss filed by the Company and other defendants are scheduled for March 26, 2004.

**State of Montana Proceedings**

On June 30, 2003, the Attorney General of the State of Montana (Montana AG) filed a complaint in the Montana District Court on behalf of the people of Montana and the Flathead Electric Cooperative, Inc. against numerous companies, including Avista Corp. The complaint alleges that the companies illegally manipulated western electric and natural gas markets in 2000 and 2001. This case was subsequently moved to the United States District Court for the District of Montana; however, it has since been remanded back to the Montana District Court.

The Montana AG also petitioned the Montana Public Service Commission (MPSC) to fine public utilities $1,000 a day for each day it finds they engaged in alleged "deceptive, fraudulent, anticompetitive or abusive practices" and order refunds when consumers were forced to pay more than just and reasonable rates. On February 12, 2004, the MPSC issued an order initiating investigation of the Montana retail electricity market for the purpose of determining whether there is evidence of unlawful manipulation of that market.

**Montana Public School Trust Fund Lawsuit**

On October 20, 2003, Richard Dolan and Denise Hayman filed a lawsuit in the United States District Court for the District of Montana against all private owners of hydroelectric dams in Montana, including Avista Corp. The lawsuit alleges that the hydroelectric facilities are located on state-owned riverbeds and the owners have never paid compensation to the state's public school trust fund. The lawsuit requests lease payments dating back to the construction of the respective dams and also requests damages for trespassing and unjust enrichment. An Amended Complaint adding Great Falls Elementary School District No. 1 and Great Falls High School District 1A was filed on January 16, 2004. On February 2, 2004, the Company filed its motion to dismiss this lawsuit; PacifiCorp and PPL Montana, as the other named defendants also filed a motion to dismiss, or joined therein.

**Colstrip Generating Project Complaint**

In May 2003, various parties (all of which are residents or businesses of Colstrip, Montana) filed a consolidated complaint against the owners of the Colstrip Generating Project (Colstrip) in Montana District Court. Avista Corp. owns a 15 percent interest in units 3 and

4 of Colstrip, which is located in southeastern Montana. The plaintiffs allege damages to buildings as a result of rising ground water, as well as damages from contaminated waters leaking from the lakes and ponds of Colstrip. The plaintiffs are seeking punitive damages, an order by the court to remove the lakes and ponds and the forfeiture of all profits earned from the generation of Colstrip. The Company intends to work with the other owners of Colstrip in defense of this complaint.

**Hamilton Street Bridge Site**

A portion of the Hamilton Street Bridge Site in Spokane, Washington (including a former coal gasification plant site that operated for approximately 60 years until 1948) was acquired by the Company through a merger in 1958. The Company no longer owns the property. In January 1999, the Company received notice from the State of Washington's Department of Ecology (DOE) that it had been designated as a potentially liable party (PLP) with respect to any hazardous substances located on this site, stemming from the Company's past ownership of the former gas plant site. In its notice, the DOE stated that it intended to complete an on-going remedial investigation of this site, complete a feasibility study to determine the most effective means of halting or controlling future releases of substances from the site, and to implement appropriate remedial measures. The Company responded to the DOE acknowledging its listing as a PLP, but requested that additional parties also be listed as PLPs. In the spring of 1999, the DOE named two other parties as additional PLPs.

The DOE, the Company and another PLP, Burlington Northern & Santa Fe Railway Co. (BNSF) signed an Agreed Order in March 2000 that provided for the completion of a remedial investigation and a feasibility study. The work to be performed under the Agreed Order includes three major technical parts: completion of the remedial investigation; performance of a focused feasibility study; and implementation of an interim groundwater monitoring plan. During the second quarter of 2000, the Company received comments from the DOE on its initial remedial investigation, and then submitted another draft of the remedial investigation, which was accepted as final by the DOE. After responding to comments from the DOE, the feasibility study was accepted by the DOE during the fourth quarter of 2000. After receiving input from the Company and the other PLPs, the final Cleanup Action Plan (CAP) was issued by the DOE in August 2001. In September 2001, the DOE issued an initial draft Consent Decree for the PLPs to review. During the first quarter of 2002, the Company and BNSF signed a cost sharing agreement. In September 2002, the Company, BNSF and the DOE finalized the Consent Decree to implement the CAP. The third PLP has indicated it will not sign the Consent Decree. It is currently estimated that the Company's share of the costs will be less than $1.0 million. The Engineering and Design Report for the CAP was submitted to the DOE in January 2003 and approved by the DOE in May 2003. Work under the CAP commenced during the second quarter of 2003. Negotiations are continuing with the third PLP with respect to the logistics of the CAP.

**Lake Coeur d'Alene**

In July 1998, the United States District Court for the District of Idaho issued its finding that the Coeur d'Alene Tribe of Idaho owns portions of the bed and banks of Lake Coeur d'Alene and the St. Joe River lying within the current boundaries of the Coeur d'Alene Reservation. This action was brought by the United States on behalf of the Tribe against the State of Idaho. While the Company has not been a party to this action, the Company is continuing to evaluate the potential impact of this decision on the operation of its hydroelectric facilities on the Spokane River, downstream of Lake Coeur d'Alene. The United States District Court decision was affirmed by the United States Court of Appeals for the Ninth Circuit. The United States Supreme Court affirmed this decision in June 2001. This will result in the Company being liable to the Coeur d'Alene Tribe of Idaho for payments for use of reservation lands under Section 10(e) of the Federal Power Act.

**Spokane River Relicensing**

The Company operates six hydroelectric plants on the Spokane River, and five of these (Long Lake, Nine Mile, Upper Falls, Monroe Street and Post Falls) are under one FERC license and referred to herein as the Spokane River Project. The sixth, Little Falls, is operated under separate Congressional authority and is not licensed by the FERC. The license for the Spokane River Project expires in August 2007; the Company filed a Notice of Intent to Relicense in July 2002. The formal consultation process involving planning and information gathering with stakeholder groups is underway. The Company's goal is to develop with the stakeholders a comprehensive and cost-effective settlement agreement to be filed as part of the Company's license application to the FERC in July 2005.

**Clark Fork Settlement Agreement**

Dissolved gas levels exceed Idaho and federal water quality standards downstream of the Cabinet Gorge Hydroelectric Generating Project (Cabinet Gorge) during periods when excess river flows must be diverted over the spillway. Mitigation of the dissolved gas levels continues to be studied as agreed to in the Clark Fork Settlement Agreement. To date, intensive biological studies in the lower Clark Fork River and Lake Pend Oreille have documented no significant biological effects of high dissolved gas levels on free ranging fish. Under the terms of the Clark Fork Settlement Agreement, the Company developed an abatement and mitigation strategy with the other signatories to the agreement and submitted the plan in December 2002 for review and approval to the Idaho Department of Environmental Quality and the U.S. Fish and Wildlife Service. In December 2003, the Idaho Department of Environmental Quality provided modifications to the plan that have been reviewed by the Company. The modifications did not result in any significant changes to the Company's plan. The structural alternative proposed by the Company provides for the modification of the two existing diversion tunnels built when Cabinet Gorge was originally constructed. The costs of modifications to the first tunnel are currently estimated to be $37 million (including AFUDC and inflation) and would be incurred between 2004 and 2009. The second tunnel would be modified only after evaluation of the performance of the first tunnel and such modifications would commence no later than 10 years following the completion of the first tunnel. It is currently estimated that the costs to modify the second tunnel would be $23 million (including AFUDC and inflation). As part of the plan, the Company will also provide $0.5 million annually commencing as early as 2004, as mitigation for aquatic resources that might be adversely affected by high dissolved gas levels. Mitigation funds will continue until the modification of the second tunnel commences or if the second tunnel is not modified to an agreed upon point in time commensurate with the biological effects of high dissolved gas levels. The Company will seek regulatory recovery of the costs for the modification of Cabinet Gorge and the mitigation payments.

The operating license for the Clark Fork Project describes the approach to restore bull trout populations in the project areas. Using the concept of adaptive management and working closely with the U.S. Fish and Wildlife Service, the Company is evaluating the feasibility of fish passage. The results of these studies will help the Company and other parties determine the best use of funds toward continuing fish passage efforts or other population enhancement measures.

**Other Contingencies**

In the normal course of business, the Company has various other legal claims and contingent matters outstanding. The Company believes that any ultimate liability arising from these actions will not have a material adverse impact on the Company's financial condition, results of operations or cash flows.

The Company routinely assesses, based on in-depth studies, expert analyses and legal reviews, its contingencies, obligations and commitments for remediation of contaminated sites, including assessments of ranges and probabilities of recoveries from other responsible parties who have and have not agreed to a settlement and recoveries from insurance carriers. The Company's policy is to accrue and charge to current expense identified exposures related to environmental remediation sites based on estimates of investigation, cleanup and monitoring costs to be incurred.

The Company has potential liabilities under the Federal Endangered Species Act for species of fish that have either already been added to the endangered species list, been listed as "threatened" or been petitioned for listing. Thus far, measures adopted and implemented have had minimal impact on the Company.

Under the federal licenses for its hydroelectric projects, the Company is obligated to protect its property rights, including water rights. The State of Montana is examining the status of all water right claims within state boundaries. Claims within the Clark Fork River basin could potentially adversely affect the energy production of the Company's Cabinet Gorge and Noxon Rapids hydroelectric facilities. The Company is participating in this extensive adjudication process, which is unlikely to be concluded in the foreseeable future.

The Company must be in compliance with requirements under the Clean Air Act Amendments at the Colstrip thermal generating plant, in which the Company maintains an ownership interest. The anticipated share of costs at Colstrip is not expected to have a major economic impact on the Company.

As of December 31, 2003, the Company's collective bargaining agreement with the International Brotherhood of Electrical Workers represented approximately 48 percent of all Avista Utilities employees. The current agreement with the local union representing the majority of the bargaining unit employees expires on March 25, 2005. A local agreement in the South Lake Tahoe area, which represents 5 employees, also expires on March 25, 2005. A local agreement in Medford, Oregon, which covers approximately 40 employees, will expire on March 31, 2005. Negotiations are currently ongoing with respect to two other labor agreements in Oregon covering approximately 15 employees.

## NOTE 24. SELECTED QUARTERLY FINANCIAL DATA (Unaudited)

The Company's energy operations are significantly affected by weather conditions. Consequently, there can be large variances in revenues, expenses and net income between quarters based on seasonal factors such as temperatures and streamflow conditions. During the second quarter of 2003, Avista Corp. reported Avista Labs as discontinued operations (see Note 3). Accordingly, periods prior to the second quarter of 2003 have been restated to reflect Avista Labs as discontinued operations. Several accounting standards have been issued and rescinded, which have changed the accounting and reporting for derivative commodity instruments. This has resulted in the restatement of operating revenues and resource costs (operating expenses) for periods prior to the issuance or rescission of the respective accounting standards. Such restatements have not had any impact on income from operations, income from continuing operations, net income or income available for common stock. A summary of quarterly operations (in thousands, except per share amounts) for 2003 and 2002 follows:

| | Three Months Ended | | | |
|---|---|---|---|---|
| | March 31 | June 30 | September 30 | December 31 |
| **2003** | | | | |
| Operating revenues | $338,892 | $236,735 | $238,750 | $309,008 |
| Operating expenses: | | | | |
| Resource costs | 185,916 | 102,309 | 122,591 | 165,676 |
| Operations and maintenance | 33,323 | 33,459 | 31,722 | 39,554 |
| Administrative and general | 27,863 | 22,684 | 22,780 | 24,167 |
| Depreciation and amortization | 18,942 | 18,904 | 20,114 | 19,851 |
| Taxes other than income taxes | 17,858 | 15,270 | 13,424 | 15,275 |
| Total operating expenses | 283,902 | 192,626 | 210,631 | 264,523 |
| Income from operations | 54,990 | 44,109 | 28,119 | 44,485 |
| Income from continuing operations | 18,442 | 12,713 | 4,386 | 15,102 |
| Loss from discontinued operations | (1,120) | (3,744) | (66) | (19) |
| Net income before cumulative effect of accounting change | 17,322 | 8,969 | 4,320 | 15,083 |
| Cumulative effect of accounting change | (1,190) | - | - | - |
| Net income | 16,132 | 8,969 | 4,320 | 15,083 |
| Income available for common stock | $15,554 | $8,422 | $4,320 | $15,083 |
| Outstanding common stock: | | | | |
| Weighted average | 48,100 | 48,224 | 48,281 | 48,319 |
| End of period | 48,182 | 47,830 | 48,311 | 48,344 |
| Earnings per share, diluted: | | | | |
| Earnings per share from continuing operations | $0.37 | $0.25 | $0.09 | $0.31 |
| Loss per share from discontinued operations | (0.02) | (0.08) | - | - |
| Earnings per share before cumulative effect of accounting change | 0.35 | 0.17 | 0.09 | 0.31 |
| Cumulative effect of accounting change | (0.03) | - | - | - |
| Total earnings per share, diluted | $0.32 | $0.17 | $0.09 | $0.31 |
| Dividends paid per common share | $0.12 | $0.12 | $0.125 | $0.125 |
| Trading price range per common share: | | | | |
| High | $12.65 | $14.80 | $16.53 | $18.70 |
| Low | $9.80 | $10.49 | $13.91 | $15.55 |

| | Three Months Ended | | | |
|---|---|---|---|---|
| | March 31 | June 30 | September 30 | December 31 |
| **2002** | | | | |
| Operating revenues | $337,617 | $231,082 | $206,821 | $287,396 |
| Operating expenses: | | | | |
| Resource costs | 196,734 | 91,040 | 97,944 | 150,996 |
| Operations and maintenance | 31,691 | 30,236 | 31,799 | 32,204 |
| Administrative and general | 22,310 | 33,879 | 21,795 | 27,663 |
| Depreciation and amortization | 17,753 | 17,737 | 17,440 | 18,937 |
| Taxes other than income taxes | 19,917 | 16,290 | 13,991 | 15,418 |
| Total operating expenses | 288,405 | 189,182 | 182,969 | 245,218 |
| Income from operations | 49,212 | 41,900 | 23,852 | 42,178 |
| Income from continuing operations | 16,976 | 12,292 | 864 | 12,042 |
| Loss from discontinued operations | (1,728) | (1,947) | (2,479) | (565) |
| Net income (loss) before cumulative effect of accounting change | 15,248 | 10,345 | (1,615) | 11,477 |
| Cumulative effect of accounting change | (4,148) | - | - | - |
| Net income (loss) | 11,100 | 10,345 | (1,615) | 11,477 |
| Income (loss) available for common stock | $10,492 | $9,737 | $(2,223) | $10,899 |
| Outstanding common stock: | | | | |
| Weighted average | 47,671 | 47,774 | 47,866 | 47,978 |
| End of period | 47,737 | 47,830 | 47,930 | 48,044 |
| Earnings (loss) per share, diluted: | | | | |
| Earnings per share from continuing operations | $0.35 | $0.24 | $0.00 | $0.24 |
| Loss per share from discontinued operations | (0.04) | (0.04) | (0.05) | (0.01) |
| Earnings (loss) per share before cumulative effect of accounting change | 0.31 | 0.20 | (0.05) | 0.23 |
| Cumulative effect of accounting change | (0.09) | - | - | - |
| Total earnings (loss) per share, diluted | $0.22 | $0.20 | $(0.05) | $0.23 |
| Dividends paid per common share | $0.12 | $0.12 | $0.12 | $0.12 |
| Trading price range per common share: | | | | |
| High | $16.47 | $16.60 | $13.89 | $12.10 |
| Low | $13.00 | $11.00 | $10.16 | $8.75 |

**SUPPLEMENTAL CASH FLOW INFORMATION:**

| (dollars in thousands) | 2003 | 2002 | 2001 |
|---|---|---|---|
| Cash paid for interest | $84,645 | $31,307 | $12,156 |
| Cash paid for income taxes | 11,476 | 7,428 | (35,874) |
| Non-cash financing and investing activities | | | |
| Transfer of Coyote Springs 2 from subsidiary | 106,766 | - | - |
| Property and equipment acquired under capital leases | 3,106 | - | - |
| Intangible asset related to pension plan | (654) | 6,366 | - |
| Unfunded accumulated benefit obligation | 15,198 | (34,164) | (1,139) |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

1. Report in columns (b) (c) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.

2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.

3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

| Line No. | Item<br>(a) | Unrealized Gains and Losses on Available-for-Sale Securities<br>(b) | Minimum Pension Liability adjustment (net amount)<br>(c) | Foreign Currency Hedges<br>(d) | Other Adjustments<br>(e) |
|---|---|---|---|---|---|
| 1 | Balance of Account 219 at Beginning of Preceeding Year | | | | |
| 2 | Preceding yr. Reclassification from Account 219 Net Income | | | | |
| 3 | Preceding Year Changes in Fair Value | | ( 18,809,177) | | |
| 4 | Total (lines 2 and 3) | | ( 18,809,177) | | |
| 5 | Balance of Account 219 at End of Preceding Yr/Beginning of Current Yr | | ( 18,809,177) | | |
| 6 | Current Year Reclassification From Account 219 to Net Income | | | | |
| 7 | Current Year Changes in Fair Value | | 9,454,088 | | |
| 8 | Total (lines 6 and 7) | | 9,454,088 | | |
| 9 | Balance of Account 219 at End of Current Year | | ( 9,355,089) | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

| Line No. | Other Cash Flow Hedges [Specify] (f) | Other Cash Flow Hedges [Specify] (g) | Totals for each category of items recorded in Account 219 (h) | Net Income (Carried Forward from Page 117, Line 72) (i) | Total Comprehensive Income (j) |
|---|---|---|---|---|---|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | ( 18,809,177) | | |
| 4 | | | ( 18,809,177) | 31,306,753 | 12,497,576 |
| 5 | | | ( 18,809,177) | | |
| 6 | | | | | |
| 7 | | | 9,454,088 | | |
| 8 | | | 9,454,088 | 44,504,252 | 53,958,340 |
| 9 | | | ( 9,355,089) | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION. AMORTIZATION AND DEPLETION

| Line No. | Classification (a) | Total (b) | Electric (c) |
|---|---|---|---|
| 1 | Utility Plant | | |
| 2 | In Service | | |
| 3 | Plant in Service (Classified) | 2,514,133,202 | 1,956,750,361 |
| 4 | Property Under Capital Leases | 3,905,446 | |
| 5 | Plant Purchased or Sold | | |
| 6 | Completed Construction not Classified | | |
| 7 | Experimental Plant Unclassified | | |
| 8 | Total (3 thru 7) | 2,518,038,648 | 1,956,750,361 |
| 9 | Leased to Others | | |
| 10 | Held for Future Use | | |
| 11 | Construction Work in Progress | 49,615,389 | 44,310,631 |
| 12 | Acquisition Adjustments | 26,580,073 | |
| 13 | Total Utility Plant (8 thru 12) | 2,594,234,110 | 2,001,060,992 |
| 14 | Accum Prov for Depr, Amort, & Depl | 886,846,714 | 651,132,508 |
| 15 | Net Utility Plant (13 less 14) | 1,707,387,396 | 1,349,928,484 |
| 16 | Detail of Accum Prov for Depr, Amort & Depl | | |
| 17 | In Service: | | |
| 18 | Depreciation | 826,175,778 | 644,621,400 |
| 19 | Amort & Depl of Producing Nat Gas Land/Land Right | | |
| 20 | Amort of Underground Storage Land/Land Rights | | |
| 21 | Amort of Other Utility Plant | 8,490,249 | 6,511,108 |
| 22 | Total In Service (18 thru 21) | 834,666,027 | 651,132,508 |
| 23 | Leased to Others | | |
| 24 | Depreciation | 35,857,057 | |
| 25 | Amortization and Depletion | | |
| 26 | Total Leased to Others (24 & 25) | 35,857,057 | |
| 27 | Held for Future Use | | |
| 28 | Depreciation | | |
| 29 | Amortization | | |
| 30 | Total Held for Future Use (28 & 29) | | |
| 31 | Abandonment of Leases (Natural Gas) | | |
| 32 | Amort of Plant Acquisition Adj | 16,323,630 | |
| 33 | Total Accum Prov (equals 14) (22,26,30,31,32) | 886,846,714 | 651,132,508 |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

## SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION. AMORTIZATION AND DEPLETION

| Gas<br>(d) | Other (Specify)<br>(e) | Other (Specify)<br>(f) | Other (Specify)<br>(g) | Common<br>(h) | Line No. |
|---|---|---|---|---|---|
| | | | | | 1 |
| | | | | | 2 |
| 484,721,213 | | | | 72,661,628 | 3 |
| | | | | 3,905,446 | 4 |
| | | | | | 5 |
| | | | | | 6 |
| | | | | | 7 |
| 484,721,213 | | | | 76,567,074 | 8 |
| | | | | | 9 |
| | | | | | 10 |
| 2,082,565 | | | | 3,222,193 | 11 |
| 26,580,073 | | | | | 12 |
| 513,383,851 | | | | 79,789,267 | 13 |
| 199,857,149 | | | | 35,857,057 | 14 |
| 313,526,702 | | | | 43,932,210 | 15 |
| | | | | | 16 |
| | | | | | 17 |
| 181,554,378 | | | | | 18 |
| | | | | | 19 |
| | | | | | 20 |
| 1,979,141 | | | | | 21 |
| 183,533,519 | | | | | 22 |
| | | | | | 23 |
| | | | | 35,857,057 | 24 |
| | | | | | 25 |
| | | | | 35,857,057 | 26 |
| | | | | | 27 |
| | | | | | 28 |
| | | | | | 29 |
| | | | | | 30 |
| | | | | | 31 |
| 16,323,630 | | | | | 32 |
| 199,857,149 | | | | 35,857,057 | 33 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)

1. Report below the original cost of electric plant in service according to the prescribed accounts.
2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

| Line No. | Account<br>(a) | Balance Beginning of Year<br>(b) | Additions<br>(c) |
|---|---|---|---|
| 1 | 1. INTANGIBLE PLANT | | |
| 2 | (301) Organization | 14,698 | |
| 3 | (302) Franchises and Consents | 15,084,274 | |
| 4 | (303) Miscellaneous Intangible Plant | 11,140,103 | 349,073 |
| 5 | TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4) | 26,239,075 | 349,073 |
| 6 | 2. PRODUCTION PLANT | | |
| 7 | A. Steam Production Plant | | |
| 8 | (310) Land and Land Rights | 2,248,799 | |
| 9 | (311) Structures and Improvements | 123,548,121 | 1,595,522 |
| 10 | (312) Boiler Plant Equipment | 156,705,306 | 2,306,579 |
| 11 | (313) Engines and Engine-Driven Generators | | |
| 12 | (314) Turbogenerator Units | 44,680,235 | 1,212,151 |
| 13 | (315) Accessory Electric Equipment | 23,766,083 | 49,245 |
| 14 | (316) Misc. Power Plant Equipment | 15,037,235 | 73,635 |
| 15 | (317) Asset Retirement Costs for Steam Production | | 1,114,206 |
| 16 | TOTAL Steam Production Plant (Enter Total of lines 8 thru 15) | 365,985,779 | 6,351,338 |
| 17 | B. Nuclear Production Plant | | |
| 18 | (320) Land and Land Rights | | |
| 19 | (321) Structures and Improvements | | |
| 20 | (322) Reactor Plant Equipment | | |
| 21 | (323) Turbogenerator Units | | |
| 22 | (324) Accessory Electric Equipment | | |
| 23 | (325) Misc. Power Plant Equipment | | |
| 24 | (326) Asset Retirement Costs for Nuclear Production | | |
| 25 | TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24) | | |
| 26 | C. Hydraulic Production Plant | | |
| 27 | (330) Land and Land Rights | 52,693,907 | 689,930 |
| 28 | (331) Structures and Improvements | 36,274,058 | 68,104 |
| 29 | (332) Reservoirs, Dams, and Waterways | 97,179,853 | 1,276,698 |
| 30 | (333) Water Wheels, Turbines, and Generators | 95,425,341 | 566,797 |
| 31 | (334) Accessory Electric Equipment | 25,623,546 | 1,113,465 |
| 32 | (335) Misc. Power PLant Equipment | 6,110,823 | 22,327 |
| 33 | (336) Roads, Railroads, and Bridges | 1,991,477 | -84 |
| 34 | (337) Asset Retirement Costs for Hydraulic Production | | |
| 35 | TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34) | 315,299,005 | 3,737,237 |
| 36 | D. Other Production Plant | | |
| 37 | (340) Land and Land Rights | 762,234 | 397 |
| 38 | (341) Structures and Improvements | 960,910 | 7,183,555 |
| 39 | (342) Fuel Holders, Products, and Accessories | 1,450,271 | 12,605,471 |
| 40 | (343) Prime Movers | 22,384,385 | -556,094 |
| 41 | (344) Generators | 32,858,651 | 75,935,116 |
| 42 | (345) Accessory Electric Equipment | 790,728 | 8,260,027 |
| 43 | (346) Misc. Power Plant Equipment | 243,758 | 657,253 |
| | | | |

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

| Retirements (d) | Adjustments (e) | Transfers (f) | Balance at End of Year (g) | | Line No. |
|---|---|---|---|---|---|
| | | | | | 1 |
| | | | 14,698 | | 2 |
| | | | 15,084,274 | | 3 |
| 103,328 | | | 11,385,848 | | 4 |
| 103,328 | | | 26,484,820 | | 5 |
| | | | | | 6 |
| | | | | | 7 |
| | | -3,583 | 2,245,216 | | 8 |
| | | -878,644 | 124,264,999 | | 9 |
| 46,601 | | | 158,965,284 | | 10 |
| | | | | | 11 |
| | | | 45,892,386 | | 12 |
| 72,809 | | | 23,742,519 | | 13 |
| | | 98,802 | 15,209,672 | | 14 |
| | | | 1,114,206 | | 15 |
| 119,410 | | -783,425 | 371,434,282 | | 16 |
| | | | | | 17 |
| | | | | | 18 |
| | | | | | 19 |
| | | | | | 20 |
| | | | | | 21 |
| | | | | | 22 |
| | | | | | 23 |
| | | | | | 24 |
| | | | | | 25 |
| | | | | | 26 |
| | | -66,592 | 53,317,245 | | 27 |
| 64,178 | | | 36,277,984 | | 28 |
| 2,516 | | | 98,454,035 | | 29 |
| 1,037,350 | | | 94,954,788 | | 30 |
| 110,200 | | | 26,626,811 | | 31 |
| | | | 6,133,150 | | 32 |
| | | | 1,991,393 | | 33 |
| | | | | | 34 |
| 1,214,244 | | -66,592 | 317,755,406 | | 35 |
| | | | | | 36 |
| | | | 762,631 | | 37 |
| | | | 8,144,465 | | 38 |
| | | -98,802 | 13,956,940 | | 39 |
| | | | 21,828,291 | | 40 |
| | | | 108,793,767 | | 41 |
| | | | 9,050,755 | | 42 |
| | | | 901,011 | | 43 |
| | | | | | |

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

| Line No. | Account (a) | Balance Beginning of Year (b) | Additions (c) |
|---|---|---|---|
| 44 | (347) Asset Retirement Costs for Other Production | | |
| 45 | TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44) | 59,450,937 | 104,085,725 |
| 46 | TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45) | 740,735,721 | 114,174,300 |
| 47 | 3. TRANSMISSION PLANT | | |
| 48 | (350) Land and Land Rights | 12,118,199 | 448,999 |
| 49 | (352) Structures and Improvements | 8,941,953 | 95,136 |
| 50 | (353) Station Equipment | 113,758,443 | 8,931,943 |
| 51 | (354) Towers and Fixtures | 17,063,254 | 4,309 |
| 52 | (355) Poles and Fixtures | 75,222,853 | 720,009 |
| 53 | (356) Overhead Conductors and Devices | 64,474,688 | 633,305 |
| 54 | (357) Underground Conduit | 561,148 | |
| 55 | (358) Underground Conductors and Devices | 1,317,533 | |
| 56 | (359) Roads and Trails | 1,825,909 | 935 |
| 57 | (359.1) Asset Retirement Costs for Transmission Plant | | |
| 58 | TOTAL Transmission Plant (Enter Total of lines 48 thru 57) | 295,283,980 | 10,834,636 |
| 59 | 4. DISTRIBUTION PLANT | | |
| 60 | (360) Land and Land Rights | 4,143,173 | -300,344 |
| 61 | (361) Structures and Improvements | 10,039,236 | 122,460 |
| 62 | (362) Station Equipment | 66,821,357 | 2,081,591 |
| 63 | (363) Storage Battery Equipment | | |
| 64 | (364) Poles, Towers, and Fixtures | 149,124,154 | 6,180,042 |
| 65 | (365) Overhead Conductors and Devices | 101,635,238 | 3,842,296 |
| 66 | (366) Underground Conduit | 46,422,067 | 2,559,636 |
| 67 | (367) Underground Conductors and Devices | 77,491,759 | 3,297,562 |
| 68 | (368) Line Transformers | 117,619,456 | 3,788,634 |
| 69 | (369) Services | 82,182,558 | 3,847,060 |
| 70 | (370) Meters | 23,731,512 | 901,016 |
| 71 | (371) Installations on Customer Premises | | |
| 72 | (372) Leased Property on Customer Premises | | |
| 73 | (373) Street Lighting and Signal Systems | 19,546,890 | 1,061,412 |
| 74 | (374) Asset Retirement Costs for Distribution Plant | | |
| 75 | TOTAL Distribution Plant (Enter Total of lines 60 thru 74) | 698,757,400 | 27,381,365 |
| 76 | 5. GENERAL PLANT | | |
| 77 | (389) Land and Land Rights | 124,681 | |
| 78 | (390) Structures and Improvements | 1,630,418 | |
| 79 | (391) Office Furniture and Equipment | 100,505 | 45,898 |
| 80 | (392) Transportation Equipment | 7,107,255 | 174,487 |
| 81 | (393) Stores Equipment | 99,196 | |
| 82 | (394) Tools, Shop and Garage Equipment | 2,659,040 | 142,071 |
| 83 | (395) Laboratory Equipment | 2,844,500 | 83,326 |
| 84 | (396) Power Operated Equipment | 16,534,913 | 1,551,287 |
| 85 | (397) Communication Equipment | 17,372,467 | 1,956,382 |
| 86 | (398) Miscellaneous Equipment | 1,738 | |
| 87 | SUBTOTAL (Enter Total of lines 77 thru 86) | 48,474,713 | 3,953,451 |
| 88 | (399) Other Tangible Property | | |
| 89 | (399.1) Asset Retirement Costs for General Plant | | |
| 90 | TOTAL General Plant (Enter Total of lines 87, 88 and 89) | 48,474,713 | 3,953,451 |
| 91 | TOTAL (Accounts 101 and 106) | 1,809,490,889 | 156,692,825 |
| 92 | (102) Electric Plant Purchased (See instr. 8) | | |
| 93 | (Less) (102) Electric Plant Sold (See Instr. 8) | | |
| 94 | (103) Experimental Plant Unclassified | | |
| 95 | TOTAL Electric Plant in Service (Enter Total of lines 91 thru 94) | 1,809,490,889 | 156,692,825 |
| | | | |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

| Retirements<br>(d) | Adjustments<br>(e) | Transfers<br>(f) | Balance at<br>End of Year<br>(g) | | Line No. |
|---|---|---|---|---|---|
| | | | | | 44 |
| | | -98,802 | 163,437,860 | | 45 |
| 1,333,654 | | -948,819 | 852,627,548 | | 46 |
| | | | | | 47 |
| | | | 12,567,198 | | 48 |
| | | | 9,037,089 | | 49 |
| 908,688 | | -170,410 | 121,611,288 | | 50 |
| | | | 17,067,563 | | 51 |
| 96,277 | | | 75,846,585 | | 52 |
| 115,840 | | | 64,992,153 | | 53 |
| | | | 561,148 | | 54 |
| | | | 1,317,533 | | 55 |
| | | | 1,826,844 | | 56 |
| | | | | | 57 |
| 1,120,805 | | -170,410 | 304,827,401 | | 58 |
| | | | | | 59 |
| | | -1,739 | 3,841,090 | | 60 |
| 14,275 | | -21,537 | 10,125,884 | | 61 |
| 577,119 | | 148,724 | 68,474,553 | | 62 |
| | | | | | 63 |
| 130,002 | | | 155,174,194 | | 64 |
| 150,569 | | | 105,326,965 | | 65 |
| 43,883 | | 8,913 | 48,946,733 | | 66 |
| 321,496 | | 179,645 | 80,647,470 | | 67 |
| 617,809 | | 26,756 | 120,817,037 | | 68 |
| 79,697 | | | 85,949,921 | | 69 |
| 403,219 | | | 24,229,309 | | 70 |
| | | | | | 71 |
| | | | | | 72 |
| 87,292 | | | 20,521,010 | | 73 |
| | | | | | 74 |
| 2,425,361 | | 340,762 | 724,054,166 | | 75 |
| | | | | | 76 |
| | | | 124,681 | | 77 |
| 31,872 | | 371,039 | 1,969,585 | | 78 |
| | | | 146,403 | | 79 |
| 198,225 | | -147,510 | 6,936,007 | | 80 |
| | | | 99,196 | | 81 |
| 49,585 | | | 2,751,526 | | 82 |
| 15,420 | | | 2,912,406 | | 83 |
| 196,168 | | | 17,890,032 | | 84 |
| 116,332 | | 139,409 | 19,351,926 | | 85 |
| | | | 1,738 | | 86 |
| 607,602 | | 362,938 | 52,183,500 | | 87 |
| | | | | | 88 |
| | | | | | 89 |
| 607,602 | | 362,938 | 52,183,500 | | 90 |
| 5,590,750 | | -415,529 | 1,960,177,435 | | 91 |
| | | | | | 92 |
| | | | | | 93 |
| | | | | | 94 |
| 5,590,750 | | -415,529 | 1,960,177,435 | | 95 |
| | | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or $100,000, whichever is less) may be grouped.

| Line No. | Description of Project (a) | Construction work in progress - Electric (Account 107) (b) |
|---|---|---|
| 1 | STATE OF WASHINGTON | |
| 2 | Post Street 115 Substation | 1,428,059 |
| 3 | Beacon-Rathdrum 230KV Line | 7,114,082 |
| 4 | Beacon Storage Yard-Build Containment Area | 292,703 |
| 5 | Hydro Relicensing Costs-Spokane River Project | 5,049,048 |
| 6 | Endicott Road Move work | 114,740 |
| 7 | Trent Bridge Conduit Work | 142,150 |
| 8 | Flowery Trail Reroute 3-phase underground | 253,280 |
| 9 | Network Post Street LID | 163,602 |
| 10 | Upper Falls Control Work | 432,033 |
| 11 | Boulder Park Fire Supression syst | 231,550 |
| 12 | Dry Creek-Lolo 230 Kv line | 681,238 |
| 13 | Northeast 115kv substation | 103,715 |
| 14 | Benewah-Shawnee 230Kv line | 517,311 |
| 15 | Boulder construction | 423,057 |
| 16 | Scada II Add supv | 128,711 |
| 17 | minor projects (49) under $100,000 | 1,043,716 |
| 18 | | |
| 19 | STATE OF IDAHO | |
| 20 | Kootenai Cutoff Road Move | 113,881 |
| 21 | Adelphia Make Ready Moscow | 115,044 |
| 22 | Oden 115 sub-split FDR and SCADA FDR | 360,091 |
| 23 | Cabinet Gorge Unit #2 Turbine | 4,495,223 |
| 24 | Beacon-Rathdrum | 8,313,939 |
| 25 | Cabinet Gorge unit #4 Turbine | 127,399 |
| 26 | Pinecreek Rebuild | 5,491,428 |
| 27 | Clark Fork Settlement Agreement | 2,271,267 |
| 28 | Hwy 95/Palouse River road move | 148,242 |
| 29 | Post Falls Cap Project | 182,751 |
| 30 | North Moscow 522 Recon | 147,648 |
| 31 | Oldtown Sub Const | 1,173,135 |
| 32 | System replacement transmission line relays | 186,823 |
| 33 | Holbrook upgrade feeder | 104,208 |
| 34 | Minor Projects (58) under $100,000 | 1,053,305 |
| 35 | | |
| 36 | STATE OF MONTANA | |
| 37 | Noxon Rapids Capital Projects Upgrades | 403,371 |
| 38 | Clark Fork Settlement agreement | 1,060,908 |
| 39 | Minor Projects (7) under $100,000 | 100,765 |
| 40 | COMMON-WA & ID | |
| 41 | AVA/BPA Fiber Project | 170,456 |
| 42 | Minor Projects (10) $100,000 | 171,752 |
| 43 | TOTAL | 44,310,631 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

**Section A. Balances and Changes During Year**

| Line No. | Item (a) | Total (c+d+e) (b) | Electric Plant in Service (c) | Electric Plant Held for Future Use (d) | Electric Plant Leased to Others (e) |
|---|---|---|---|---|---|
| 1 | Balance Beginning of Year | 603,295,686 | 603,295,686 | | |
| 2 | Depreciation Provisions for Year, Charged to | | | | |
| 3 | (403) Depreciation Expense | 46,131,559 | 46,131,559 | | |
| 4 | (403.1) Depreciation Expense for Asset Retirement Costs | | | | |
| 5 | (413) Exp. of Elec. Plt. Leas. to Others | | | | |
| 6 | Transportation Expenses-Clearing | 863,323 | 863,323 | | |
| 7 | Other Clearing Accounts | | | | |
| 8 | Other Accounts (Specify, details in footnote): | | | | |
| 9 | | | | | |
| 10 | TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9) | 46,994,882 | 46,994,882 | | |
| 11 | Net Charges for Plant Retired: | | | | |
| 12 | Book Cost of Plant Retired | 5,484,657 | 5,484,657 | | |
| 13 | Cost of Removal | 1,381,679 | 1,381,679 | | |
| 14 | Salvage (Credit) | 1,197,168 | 1,197,168 | | |
| 15 | TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14) | 5,669,168 | 5,669,168 | | |
| 16 | Other Debit or Cr. Items (Describe, details in footnote): | | | | |
| 17 | | | | | |
| 18 | Book Cost or Asset Retirement Costs Retired | | | | |
| 19 | Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18) | 644,621,400 | 644,621,400 | | |
| | **Section B. Balances at End of Year According to Functional Classification** | | | | |
| 20 | Steam Production | 199,658,428 | 199,658,428 | | |
| 21 | Nuclear Production | | | | |
| 22 | Hydraulic Production-Conventional | 64,407,785 | 64,407,785 | | |
| 23 | Hydraulic Production-Pumped Storage | | | | |
| 24 | Other Production | 15,713,873 | 15,713,873 | | |
| 25 | Transmission | 114,648,275 | 114,648,275 | | |
| 26 | Distribution | 220,520,780 | 220,520,780 | | |
| 27 | General | 29,672,259 | 29,672,259 | | |
| 28 | TOTAL (Enter Total of lines 20 thru 27) | 644,621,400 | 644,621,400 | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

1. Report below investments in Accounts 123.1, investments in Subsidiary Companies.
2. Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)
(a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.
(b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

| Line No. | Description of Investment (a) | Date Acquired (b) | Date Of Maturity (c) | Amount of Investment at Beginning of Year (d) |
|---|---|---|---|---|
| 1 | | | | |
| 2 | Avista Capital - Common Stock | 1997 | | 184,251,609 |
| 3 | Avista Capital - Equity in Earnings | | | 72,486,131 |
| 4 | Dividends from Subsidiary (Avista Capital) | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | | | | |
| 16 | | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |
| 20 | | | | |
| 21 | | | | |
| 22 | | | | |
| 23 | | | | |
| 24 | | | | |
| 25 | | | | |
| 26 | | | | |
| 27 | | | | |
| 28 | | | | |
| 29 | | | | |
| 30 | | | | |
| 31 | | | | |
| 32 | | | | |
| 33 | | | | |
| 34 | | | | |
| 35 | | | | |
| 36 | | | | |
| 37 | | | | |
| 38 | | | | |
| 39 | | | | |
| 40 | | | | |
| 41 | | | | |
| 42 | Total Cost of Account 123.1 $ 0 | | TOTAL | 256,737,740 |

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) interest and dividend revenues form investments, including such revenues form securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 42, column (a) the TOTAL cost of Account 123.1

| Equity in Subsidiary Earnings of Year (e) | Revenues for Year (f) | Amount of Investment at End of Year (g) | Gain or Loss from Investment Disposed of (h) | Line No. |
|---|---|---|---|---|
| | | | | 1 |
| | | 184,251,609 | | 2 |
| 9,156,784 | | 81,642,915 | | 3 |
| | -9,990,036 | -9,990,036 | | 4 |
| | | | | 5 |
| | | | | 6 |
| | | | | 7 |
| | | | | 8 |
| | | | | 9 |
| | | | | 10 |
| | | | | 11 |
| | | | | 12 |
| | | | | 13 |
| | | | | 14 |
| | | | | 15 |
| | | | | 16 |
| | | | | 17 |
| | | | | 18 |
| | | | | 19 |
| | | | | 20 |
| | | | | 21 |
| | | | | 22 |
| | | | | 23 |
| | | | | 24 |
| | | | | 25 |
| | | | | 26 |
| | | | | 27 |
| | | | | 28 |
| | | | | 29 |
| | | | | 30 |
| | | | | 31 |
| | | | | 32 |
| | | | | 33 |
| | | | | 34 |
| | | | | 35 |
| | | | | 36 |
| | | | | 37 |
| | | | | 38 |
| | | | | 39 |
| | | | | 40 |
| | | | | 41 |
| 9,156,784 | -9,990,036 | 255,904,488 | | 42 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.
2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

| Line No. | Account<br>(a) | Balance Beginning of Year<br>(b) | Balance End of Year<br>(c) | Department or Departments which Use Material<br>(d) |
|---|---|---|---|---|
| 1 | Fuel Stock (Account 151) | 3,261,065 | 2,395,349 | (1) |
| 2 | Fuel Stock Expenses Undistributed (Account 152) | | | |
| 3 | Residuals and Extracted Products (Account 153) | | | |
| 4 | Plant Materials and Operating Supplies (Account 154) | | | |
| 5 | Assigned to - Construction (Estimated) | 4,502,503 | 5,309,870 | (1) |
| 6 | Assigned to - Operations and Maintenance | | | |
| 7 | Production Plant (Estimated) | 2,460,890 | 2,201,762 | (1) |
| 8 | Transmission Plant (Estimated) | 14,011 | 3,171 | (1) |
| 9 | Distribution Plant (Estimated) | 167,171 | 163,574 | (1) |
| 10 | Assigned to - Other (provide details in footnote) | 1,304,937 | 1,843,705 | (1),(2) |
| 11 | TOTAL Account 154 (Enter Total of lines 5 thru 10) | 8,449,512 | 9,522,082 | |
| 12 | Merchandise (Account 155) | | | |
| 13 | Other Materials and Supplies (Account 156) | | | |
| 14 | Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util) | | | |
| 15 | Stores Expense Undistributed (Account 163) | 494,542 | -496,415 | |
| 16 | | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |
| 20 | TOTAL Materials and Supplies (Per Balance Sheet) | 12,205,119 | 11,421,016 | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets which are created through the rate making actions of regulatory agencies (and not includable in other accounts)
2. For regulatory assets being amortized, show period of amortization in column (a)
3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than $50,000, whichever is less) may be grouped by classes.

| Line No. | Description and Purpose of Other Regulatory Assets | Debits | CREDITS | | Balance at End of Year |
|---|---|---|---|---|---|
| | | | Account Charged | Amount | |
| | (a) | (b) | (c) | (d) | (e) |
| 1 | FAS 106 - Accounting for Post Retirement | | 926.65 | 472,752 | 4,254,768 |
| 2 | Benefits, other than Pensions (182.30) | | | | |
| 3 | 182.30 Amort period 1996-2012 | | | | |
| 4 | FAS 109 - Acctng for Income Taxes Util Prop | | 283.17, 18 | 7,401,737 | 132,097,287 |
| 5 | (182.31 & 182.32) | | | | |
| 6 | More Options Power Supply (MOPS) - WA (182.34 ) | | 407.44 | 190,944 | |
| 7 | More Options Power Supply (MOPS) - ID (182.34) | | 407.44 | 29,592 | |
| 8 | WA ERM Deferral Balance (182.35) | | 186.28 | 4,391,600 | 99,774,940 |
| 9 | WA Amortization (182.36) | 974,754 | 557.16 | | 974,754 |
| 10 | 182.36 Amort period 2004-2006 | | | | |
| 11 | Hamilton Street Bridge -- WA (182.39, 028) | | 407.39 | 263,712 | 125,676 |
| 12 | Hamilton Street Bridge -- ID (182.39 038) | | 407.39 | 107,052 | 105,300 |
| 13 | BPA RES Exchange (182.45, 028) | 195,192 | 254.45 | | 195,192 |
| 14 | BPA RES Exchange A/R (182.45, 098) | 1,679,445 | 254.45 | | 1,679,445 |
| 15 | BPA RES Exchange - Int Rec (182.46, 028) | 30,267 | 419.00 | | 30,267 |
| 16 | BPA RES Exchange - Int Rec (182.46, 038) | 6,278 | 419.00 | | 6,278 |
| 17 | FAS 133 Reg Asset (182.74) | | | | |
| 18 | FAS 143-ARO Reg Asset (182.76) | | 230.10, 10 | 436,329 | -436,329 |
| 19 | Oregon DSM Long-Term Reg Asset (182.80) | | various | 164,307 | -632,736 |
| 20 | Workers Comp (182.83) | 1,688,889 | 242.83 | | 1,688,889 |
| 21 | | | | | |
| 22 | | | | | |
| 23 | | | | | |
| 24 | | | | | |
| 25 | | | | | |
| 26 | | | | | |
| 27 | | | | | |
| 28 | | | | | |
| 29 | | | | | |
| 30 | | | | | |
| 31 | | | | | |
| 32 | | | | | |
| 33 | | | | | |
| 34 | | | | | |
| 35 | | | | | |
| 36 | | | | | |
| 37 | | | | | |
| 38 | | | | | |
| 39 | | | | | |
| 40 | | | | | |
| 41 | | | | | |
| 42 | | | | | |
| 43 | | | | | |
| 44 | TOTAL | 4,574,825 | | 13,458,025 | 239,863,731 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## MISCELLANEOUS DEFFERED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than $50,000, whichever is less) may be grouped by classes.

| Line No. | Description of Miscellaneous Deferred Debits<br>(a) | Balance at Beginning of Year<br>(b) | Debits<br>(c) | CREDITS<br>Account Charged<br>(d) | CREDITS<br>Amount<br>(e) | Balance at End of Year<br>(f) |
|---|---|---|---|---|---|---|
| 1 | Regulatory Deferrals - WA | | | | | |
| 2 | Colstrip Common Fac. | 603,060 | | 406 | 31,740 | 571,320 |
| 3 | WA Accrued Power Def | 1,164,331 | 1,974,676 | | | 3,139,007 |
| 4 | WA Deferred Power Costs | 18,418,548 | 4,372,824 | | | 22,791,372 |
| 5 | WA ERM YTD Company Band | 4,500,000 | 4,500,000 | | | 9,000,000 |
| 6 | WA ERM YTD Contra Account | -4,500,000 | | | 4,500,000 | -9,000,000 |
| 7 | | | | | | |
| 8 | Regulatory Deferrals - ID | | | | | |
| 9 | ID Deferred New Generation | 921,184 | | | 184,240 | 736,944 |
| 10 | Colstrip Common Fac. | 1,278,852 | | 406 | 67,308 | 1,211,544 |
| 11 | Idaho Accrued PCA Def | 592,090 | 1,004,168 | | | 1,596,258 |
| 12 | ID Deferred Power | 57,960,050 | 24,378,033 | var | | 82,338,083 |
| 13 | ID Accumulated Surcharge Am | -27,034,339 | | 557 | 26,615,142 | -53,649,481 |
| 14 | | | | | | |
| 15 | Payroll Accrual | 1,597,425 | 311,753 | var | | 1,909,178 |
| 16 | | | | | | |
| 17 | PPP Surcharge | 364,926 | 89,423 | | | 454,349 |
| 18 | | | | | | |
| 19 | Misc Error Suspense | -2,206,324 | 2,559,340 | var | | 353,016 |
| 20 | | | | | | |
| 21 | Joint Projects | | | | | |
| 22 | Centralia Operating Payments | | | | | |
| 23 | | | | | | |
| 24 | WPI-ID Terminated Elec Pur. | 783,989 | | 555 | 391,992 | 391,997 |
| 25 | | | | | | |
| 26 | Unamortized A/R Sale | 357,423 | | | 116,277 | 241,146 |
| 27 | | | | | | |
| 28 | Intangible Pension Asset | 6,365,810 | 151 | 228.32 | 653,810 | 5,712,151 |
| 29 | | | | | | |
| 30 | Bank Recon Suspense | -192 | 192 | | | |
| 31 | Mark to Market Deferred Debit | | | 254 | | |
| 32 | Interest Rate Swap | 1,368,874 | | | 1,368,874 | |
| 33 | | | | | | |
| 34 | Nez Perce Settlement | 212,869 | | 557 | 5,210 | 207,659 |
| 35 | | | | | | |
| 36 | Centralia Mine Env Balance | 567,509 | 4,815 | | | 572,324 |
| 37 | | | | | | |
| 38 | DES Contract Amortization | 87,238 | | 556 | 61,866 | 25,372 |
| 39 | | | | | | |
| 40 | Metro-Sunset 115KV TE | 68,651 | 45,930 | | | 114,581 |
| 41 | | | | | | |
| 42 | UPRR Permit Conv | 184,051 | 147,319 | | | 331,370 |
| 43 | | | | | | |
| 44 | CPRR Permit Conv | 72,371 | | | 72,371 | |
| 45 | | | | | | |
| 46 | Ortho Business Activity | 85,027 | 51,027 | | | 136,054 |
| 47 | Misc. Work in Progress | | | | | |
| 48 | Deferred Regulatory Comm. Expenses (See pages 350 - 351) | | | | | |
| 49 | TOTAL | 81,406,921 | | | | 86,083,253 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## MISCELLANEOUS DEFFERED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than $50,000, whichever is less) may be grouped by classes.

| Line No. | Description of Miscellaneous Deferred Debits (a) | Balance at Beginning of Year (b) | Debits (c) | CREDITS Account Charged (d) | CREDITS Amount (e) | Balance at End of Year (f) |
|---|---|---|---|---|---|---|
| 1 | Canadian GST Tax | 95,404 | | var | 82,287 | 13,117 |
| 2 | | | | | | |
| 3 | Nez Perce Forest | 91,876 | | | 91,876 | |
| 4 | | | | | | |
| 5 | Electric Network | | | | | |
| 6 | | | | | | |
| 7 | Misc Work Orders <$50,000 | 250,788 | 41,321 | | | 292,109 |
| 8 | Subsidiary Billings | 2,222,737 | | var | 255,954 | 1,966,783 |
| 9 | | | | | | |
| 10 | Conservation | | | | | |
| 11 | Enhanced Low Income Wzn | 62,505 | | | 59,905 | 2,600 |
| 12 | Oregon Gas Comm Consvt | 150,867 | 26,808 | | | 177,675 |
| 13 | Oregon Shower Head | 147,726 | | 908 | 40,592 | 107,134 |
| 14 | Oregon Common Gas Eff | 118,681 | 45,297 | | | 163,978 |
| 15 | WPNG HE Wtr Htrs-Oregon | 268,737 | 17,759 | | | 286,496 |
| 16 | WPNG HE Furnaces | 1,726,742 | 301,567 | | | 2,028,309 |
| 17 | WPNG CA RES L/I-P | -360,736 | 304,670 | var | | -56,066 |
| 18 | WPNG OR Res Low 1 | 185,190 | | 908 | 13,444 | 171,746 |
| 19 | Regulatory-Sched 67 | 230,417 | | 908 | 33,067 | 197,350 |
| 20 | Reg-Water Heat Conv | 1,185,645 | | 908 | 152,358 | 1,033,287 |
| 21 | Reg-Space/Water Con | 4,766,174 | | 908 | 704,561 | 4,061,613 |
| 22 | Reg-Elec Comm/Ind | 779,792 | | 908 | 116,375 | 663,417 |
| 23 | Reg-Gas Wzn Res | 1,185,869 | | 908 | 153,145 | 1,032,724 |
| 24 | Reg-L/I Elec/Gas | 398,209 | | 908 | 49,738 | 348,471 |
| 25 | Reg-Elec Manuf Home | 333,778 | | 908 | 48,984 | 284,794 |
| 26 | Reg-Comm/Ind Gas | 135,820 | | 908 | 19,600 | 116,220 |
| 27 | Reg-Gas Res Appl Ef | 1,610,614 | | 908 | 208,178 | 1,402,436 |
| 28 | Reg-Gas Res Showerhead | 137,611 | | 908 | 55,047 | 82,564 |
| 29 | Reg Elect Res Wzn | 58,877 | | 908 | 8,643 | 50,234 |
| 30 | Reg L/I Elec Wzn | 95,940 | | 908 | 14,099 | 81,841 |
| 31 | Reg Elec Res Shwr | 58,739 | | 908 | 37,937 | 20,802 |
| 32 | Reg C/I Elec Fuel | 229,435 | | 908 | 34,222 | 195,213 |
| 33 | Reg Gas A.E. Wtr | 185,284 | | 908 | 74,130 | 111,154 |
| 34 | Reg Low Income Gas Wzn | 394,201 | | 908 | 56,634 | 337,567 |
| 35 | Care - California | 36,008 | 19,199 | | | 55,207 |
| 36 | Consv. & Renewable Disco | | 199,786 | | | 199,786 |
| 37 | Sandpoint DSR - PPL | 853,740 | | 908 | 113,387 | 740,353 |
| 38 | Gas Plant | | | | | |
| 39 | Hamilton Street Bridge Site | -152,520 | 206,213 | var | | 53,693 |
| 40 | | | | | | |
| 41 | Electric Plant | | | | | |
| 42 | Post Falls No Channel Study | 50,991 | | | 50,991 | |
| 43 | | | | | | |
| 44 | Easy Pay Billing CS | -303,425 | 165,536 | | | -137,889 |
| 45 | Lake CDA Issues | 321,992 | 281,113 | | | 603,105 |
| 46 | Shareholder Lawsuit 2002 | 39,790 | 171,396 | | | 211,186 |
| 47 | Misc. Work in Progress | | | | | |
| 48 | Deferred Regulatory Comm. Expenses (See pages 350 - 351) | | | | | |
| 49 | TOTAL | 81,406,921 | | | | 86,083,253 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.

| Line No. | Description and Location (a) | Balance of Begining of Year (b) | Balance at End of Year (c) |
|---|---|---|---|
| 1 | Electric | | |
| 2 | | 11,862,009 | 11,330,752 |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |
| 7 | Other | | |
| 8 | TOTAL Electric (Enter Total of lines 2 thru 7) | 11,862,009 | 11,330,752 |
| 9 | Gas | | |
| 10 | | 1,907,787 | -1,832,996 |
| 11 | | | |
| 12 | | | |
| 13 | | | |
| 14 | | | |
| 15 | Other | | |
| 16 | TOTAL Gas (Enter Total of lines 10 thru 15 | 1,907,787 | -1,832,996 |
| 17 | Other | 23,825,508 | 24,724,630 |
| 18 | TOTAL (Acct 190) (Total of lines 8, 16 and 17) | 37,595,304 | 34,222,386 |

Notes

OCI Adjustment for 2003 related to SERP and Pension plans was booked on the General Ledger 1/31/2004. The 10-K reflects the journal entry so various accounts, including the 190, have been adjusted to reflect this entry. The net amount booked to the 190.10 is a debit in the amount of $1,833,120. Of this amount, a debit of $1,999,613 is related to Pension and a credit of $166,494 is related to SERP.

**This Page Intentionally Left Blank**

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

| Line No. | Class and Series of Stock and Name of Stock Series (a) | Number of shares Authorized by Charter (b) | Par or Stated Value per share (c) | Call Price at End of Year (d) |
|---|---|---|---|---|
| 1 | Account 201 - Common Stock Issued | | | |
| 2 | No Par Value | 200,000,000 | | |
| 3 | | | | |
| 4 | TOTAL_COM | 200,000,000 | | |
| 5 | | | | |
| 6 | | | | |
| 7 | Account 204 - Preferred Stock Issued | 10,000,000 | | |
| 8 | | | | |
| 9 | | | | |
| 10 | Cumulative | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | TOTAL_PRE | 10,000,000 | | |
| 14 | | | | |
| 15 | | | | |
| 16 | | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |
| 20 | | | | |
| 21 | | | | |
| 22 | | | | |
| 23 | | | | |
| 24 | | | | |
| 25 | | | | |
| 26 | | | | |
| 27 | | | | |
| 28 | | | | |
| 29 | | | | |
| 30 | | | | |
| 31 | | | | |
| 32 | | | | |
| 33 | | | | |
| 34 | | | | |
| 35 | | | | |
| 36 | | | | |
| 37 | | | | |
| 38 | | | | |
| 39 | | | | |
| 40 | | | | |
| 41 | | | | |
| 42 | | | | |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report (Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

| OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent) | | HELD BY RESPONDENT | | | | Line No. |
|---|---|---|---|---|---|---|
| | | AS REACQUIRED STOCK (Account 217) | | IN SINKING AND OTHER FUNDS | | |
| Shares (e) | Amount (f) | Shares (g) | Cost (h) | Shares (i) | Amount (j) | |
| | | | | | | 1 |
| 48,344,009 | 626,787,000 | | | | | 2 |
| | | | | | | 3 |
| 48,344,009 | 626,787,000 | | | | | 4 |
| | | | | | | 5 |
| | | | | | | 6 |
| | | | | | | 7 |
| | | | | | | 8 |
| | | | | | | 9 |
| | | | | | | 10 |
| | | | | | | 11 |
| | | | | | | 12 |
| | | | | | | 13 |
| | | | | | | 14 |
| | | | | | | 15 |
| | | | | | | 16 |
| | | | | | | 17 |
| | | | | | | 18 |
| | | | | | | 19 |
| | | | | | | 20 |
| | | | | | | 21 |
| | | | | | | 22 |
| | | | | | | 23 |
| | | | | | | 24 |
| | | | | | | 25 |
| | | | | | | 26 |
| | | | | | | 27 |
| | | | | | | 28 |
| | | | | | | 29 |
| | | | | | | 30 |
| | | | | | | 31 |
| | | | | | | 32 |
| | | | | | | 33 |
| | | | | | | 34 |
| | | | | | | 35 |
| | | | | | | 36 |
| | | | | | | 37 |
| | | | | | | 38 |
| | | | | | | 39 |
| | | | | | | 40 |
| | | | | | | 41 |
| | | | | | | 42 |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

## CAPITAL STOCK EXPENSE (Account 214)

1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock.
2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

| Line No. | Class and Series of Stock<br>(a) | Balance at End of Year<br>(b) |
|---|---|---|
| 1 | Common Stock - Public Issue | 8,096,029 |
| 2 | Shares issued under provisions of Respondant's Dividend Reinvestment and Stock Purchase Plan | 442,145 |
| 3 | Shares issued under provisions of Respondant's Employee Stock Purchase Plan | 74,839 |
| 4 | Common Stock - 401k | 215,137 |
| 5 | Common Stock - Periodic Offering Program (POP) | 599,768 |
| 6 | $6.95 Preferred Stock, Series K | 1,334,005 |
| 7 | Common Stock Split | 187,872 |
| 8 | | |
| 9 | | |
| 10 | | |
| 11 | | |
| 12 | | |
| 13 | | |
| 14 | | |
| 15 | | |
| 16 | | |
| 17 | | |
| 18 | | |
| 19 | | |
| 20 | | |
| 21 | | |
| 22 | TOTAL | 10,949,795 |

**This Page Intentionally Left Blank**

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

| Line No. | Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a) | Principal Amount Of Debt issued (b) | Total expense, Premium or Discount (c) |
|---|---|---|---|
| 1 | Acct. 221 - Bonds: | | |
| 2 | Secured Medium Term Notes $800,000,000 | 695,000,000 | 5,785,640 |
| 3 | (Premium) | | 50,220 |
| 4 | | | |
| 5 | Pollution Control Revenue Bonds: | | |
| 6 | 6% Series due 2023 | 4,100,000 | 345,385 |
| 7 | Colstrip 1999A due 2032 | 66,700,000 | 2,182,462 |
| 8 | (Premium) | | 1,334,000 |
| 9 | Colstrip 1999B due 2034 | 17,000,000 | 565,288 |
| 10 | (Premium) | | 340,000 |
| 11 | | | |
| 12 | SUBTOTAL | 782,800,000 | 10,602,995 |
| 13 | | | |
| 14 | Acct. 222 - Reacquired Bonds | | |
| 15 | | | |
| 16 | Acct. 223 - Advances from Associated Companies | 1,434,151 | |
| 17 | | | |
| 18 | Acct. 224 - Other Long-term Debt | | |
| 19 | Series K Preferred Stock | 35,000,000 | 2,089,391 |
| 20 | Notes Payable - Banks (local) $225,000,000 | | 2,844,500 |
| 21 | | | |
| 22 | Commercial Paper | | |
| 23 | | | |
| 24 | Unsecured Senior Notes | 400,000,000 | 9,128,000 |
| 25 | (Discount) | | 2,716,000 |
| 26 | | | |
| 27 | Medium Term Notes $1,000,000,000 | 683,000,000 | 6,197,873 |
| 28 | (Premium) | | 70,000 |
| 29 | Long Term Curent | | |
| 30 | Notes Payable to Various Parties | | |
| 31 | Preferred Trust Securities | 61,855,675 | 5,960,160 |
| 32 | Preferred Trust Securities | 51,547,000 | 3,633,783 |
| 33 | TOTAL | 2,015,636,826 | 43,242,702 |

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

| Nominal Date of Issue (d) | Date of Maturity (e) | AMORTIZATION PERIOD Date From (f) | AMORTIZATION PERIOD Date To (g) | Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h) | Interest for Year Amount (i) | Line No. |
|---|---|---|---|---|---|---|
| | | | | | | 1 |
| | | | | 343,500,000 | 23,245,436 | 2 |
| | | | | | | 3 |
| | | | | | | 4 |
| | | | | | | 5 |
| 12/18/1984 | 12/01/2014 | 12/18/1984 | 12/01/2014 | 4,100,000 | 246,000 | 6 |
| 9/01/1999 | 10/01/2032 | 9/01/1999 | 10/01/2032 | 66,700,000 | 3,335,000 | 7 |
| | | | | | | 8 |
| 9/01/1999 | 3/01/2034 | 9/01/1999 | 3/01/2034 | 17,000,000 | 871,250 | 9 |
| | | | | | | 10 |
| | | | | | | 11 |
| | | | | 431,300,000 | 27,697,686 | 12 |
| | | | | | | 13 |
| | | | | | | 14 |
| | | | | | | 15 |
| | | | | 1,434,151 | | 16 |
| | | | | | | 17 |
| | | | | | | 18 |
| 9/15/1992 | 9/15/2007 | 9/15/2 | 9/15/2007 | 31,500,000 | 926,148 | 19 |
| | | | | 80,000,000 | 1,875,425 | 20 |
| | | | | | | 21 |
| | | | | | | 22 |
| | | | | | | 23 |
| 4/03/2001 | 6/01/2008 | 4/03/2001 | 6/01/2008 | 317,682,661 | 32,278,503 | 24 |
| | | | | | | 25 |
| | | | | | | 26 |
| | | | | 147,350,000 | 14,086,472 | 27 |
| | | | | | | 28 |
| | | | | | | 29 |
| | | | | | | 30 |
| 01/23/1997 | 01/15/2037 | 01/31/1997 | 12/31/2036 | 61,855,675 | 4,871,134 | 31 |
| 06/03/1997 | 06/01/2037 | 06/30/1997 | 05/31/2037 | 51,547,000 | 1,120,911 | 32 |
| | | | | 1,122,669,487 | 82,856,279 | 33 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be field, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as Long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

| Line No. | Particulars (Details)<br>(a) | Amount<br>(b) |
|---|---|---|
| 1 | Net Income for the Year (Page 117) | 44,504,252 |
| 2 | | |
| 3 | | |
| 4 | Taxable Income Not Reported on Books | |
| 5 | | 4,948,277 |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | Deductions Recorded on Books Not Deducted for Return | |
| 10 | | 81,079,648 |
| 11 | Federal Income Tax | 22,001,665 |
| 12 | Deferred Income Tax | 3,648,713 |
| 13 | Investment Tax Credit | -49,308 |
| 14 | Income Recorded on Books Not Included in Return | |
| 15 | | 4,677,099 |
| 16 | Equity in Sub Earnings (Income) / Loss | -9,156,784 |
| 17 | | |
| 18 | | |
| 19 | Deductions on Return Not Charged Against Book Income | |
| 20 | | -88,791,664 |
| 21 | | |
| 22 | | |
| 23 | | |
| 24 | | |
| 25 | | |
| 26 | | |
| 27 | Federal Tax Net Income | 62,861,898 |
| 28 | Show Computation of Tax: | 22,001,665 |
| 29 | 62,861,898 x .35 = 22,001,664.30 | |
| 30 | | |
| 31 | | |
| 32 | | |
| 33 | | |
| 34 | | |
| 35 | | |
| 36 | | |
| 37 | | |
| 38 | | |
| 39 | | |
| 40 | | |
| 41 | | |
| 42 | | |
| 43 | | |
| 44 | | |
| | | |

**This Page Intentionally Left Blank**

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

## TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b)amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

| Line No. | Kind of Tax (See instruction 5) (a) | BALANCE AT BEGINNING OF YEAR Taxes Accrued (Account 236) (b) | Prepaid Taxes (Include in Account 165) (c) | Taxes Charged During Year (d) | Taxes Paid During Year (e) | Adjust-ments (f) |
|---|---|---|---|---|---|---|
| 1 | FEDERAL: | | | | | |
| 2 | Income Tax (1989-1996) | -587,439 | | | | |
| 3 | Income Tax (1997) | | | | | |
| 4 | Income Tax (1998) | -37,912 | | | | |
| 5 | Income Tax (1999) | -938,867 | | | -1,657,038 | -738,061 |
| 6 | Income Tax (2000) | 7,097,901 | | | 2,977,090 | |
| 7 | Income Tax (2001) | -53,215,684 | | | | |
| 8 | Income Tax (2002) | 54,943,426 | | | 5,902,269 | |
| 9 | Income Tax (2003) | | | 22,001,666 | -13,036,920 | -40,703,033 |
| 10 | Unemployment Ins 2003 | | | | | |
| 11 | FICA (2002) | 2,594 | | | | -2,594 |
| 12 | FICA (2003) | | | 9,165,370 | 9,167,363 | 2,594 |
| 13 | Retained Earnings-ESOP | | | | | |
| 14 | Retained Earnings-ESOP | | | | | |
| 15 | Retained Earnings-ESOP | -885,066 | | | | 738,061 |
| 16 | Retained Earnings-ESOP | -419,065 | | | | |
| 17 | Retained Earnings-ESOP | -141,026 | | | | |
| 18 | Retained | -139,205 | | | | |
| 19 | Retained | | | -221,742 | | |
| 20 | Total Federal | 5,679,657 | | 30,945,294 | 3,352,764 | -40,703,033 |
| 21 | | | | | | |
| 22 | STATE OF WASHINGTON: | | | | | |
| 23 | Property Tax (2000 & Prior) | 485,660 | | -19,484 | | |
| 24 | Property Tax (2001) | -57,614 | | | | |
| 25 | Property Tax (2002) | 9,964,632 | | -1,247,137 | 8,717,350 | |
| 26 | Property Tax (2003) | | | 9,948,000 | | |
| 27 | Excise Tax (2001) | 329,416 | | | | |
| 28 | Excise Tax (2002) | 1,645,877 | | | | |
| 29 | Excise Tax (2003) | | | 17,021,404 | 16,849,875 | |
| 30 | Gas Surcharge | | | 1,737 | 8,434 | |
| 31 | Unemployment Ins. (2001) | | | | | |
| 32 | Unemployment Ins. (2002) | | | | | |
| 33 | Motor Vehicle (2002) | | | | | |
| 34 | Motor Vehicle (2003) | | | 1,671 | 1,671 | |
| 35 | Total Washington | 12,367,971 | | 25,706,191 | 25,577,330 | |
| 36 | | | | | | |
| 37 | STATE OF IDAHO: | | | | | |
| 38 | Income Tax (1997-2000) | 855,431 | | | -125,707 | |
| 39 | Income Tax (2001) | -3,085,967 | | | | |
| 40 | Income Tax (2002) | 749,501 | | | | |
| 41 | TOTAL | 22,522,183 | | 93,152,431 | 65,754,732 | -40,678,826 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

| BALANCE AT END OF YEAR | | DISTRIBUTION OF TAXES CHARGED | | | | Line No. |
|---|---|---|---|---|---|---|
| (Taxes accrued Account 236)<br>(g) | Prepaid Taxes (Incl. in Account 165)<br>(h) | Electric (Account 408.1, 409.1)<br>(i) | Extraordinary Items (Account 409.3)<br>(j) | Adjustments to Ret. Earnings (Account 439)<br>(k) | Other<br>(l) | |
| | | | | | | 1 |
| -587,439 | | | | | | 2 |
| | | | | | | 3 |
| -37,912 | | | | | | 4 |
| -19,890 | | | | | | 5 |
| 4,120,811 | | | | | | 6 |
| -53,215,684 | | | | | | 7 |
| 49,041,157 | | | | | | 8 |
| -5,664,448 | | 23,284,564 | | | -1,282,898 | 9 |
| | | | | | | 10 |
| | | | | | | 11 |
| 601 | | | | | 9,165,370 | 12 |
| | | | | | | 13 |
| | | | | | | 14 |
| -147,005 | | | | | | 15 |
| -419,065 | | | | | | 16 |
| -141,026 | | | | | | 17 |
| -139,205 | | | | | | 18 |
| -221,742 | | | | | -221,742 | 19 |
| -7,430,847 | | 23,284,564 | | | 7,660,730 | 20 |
| | | | | | | 21 |
| | | | | | | 22 |
| 466,176 | | 128,213 | | | -147,697 | 23 |
| -57,614 | | | | | | 24 |
| 143 | | -1,142,637 | | | -104,500 | 25 |
| 9,948,000 | | 7,778,000 | | | 2,170,000 | 26 |
| 329,416 | | | | | | 27 |
| 1,645,877 | | | | | | 28 |
| 171,529 | | 11,659,421 | | | 5,361,983 | 29 |
| -6,697 | | | | | 1,737 | 30 |
| | | | | | | 31 |
| | | | | | | 32 |
| | | | | | | 33 |
| | | | | | 1,671 | 34 |
| 12,496,830 | | 18,422,997 | | | 7,283,194 | 35 |
| | | | | | | 36 |
| | | | | | | 37 |
| 981,138 | | | | | | 38 |
| -3,085,967 | | | | | | 39 |
| 749,501 | | | | | | 40 |
| 9,241,055 | | 67,187,950 | | | 25,964,481 | 41 |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

## TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b)amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

| Line No. | Kind of Tax (See instruction 5) (a) | BALANCE AT BEGINNING OF YEAR Taxes Accrued (Account 236) (b) | Prepaid Taxes (Include in Account 165) (c) | Taxes Charged During Year (d) | Taxes Paid During Year (e) | Adjust-ments (f) |
|---|---|---|---|---|---|---|
| 1 | Income Tax (2003) | | | 705,593 | 428,090 | |
| 2 | Property Tax (2000 & Prior) | -383 | | -251,173 | | |
| 3 | Property Tax (2001) | 47 | | | | |
| 4 | Property Tax (2002) | 2,565,970 | | | 2,574,037 | |
| 5 | Property Tax (2003) | | | 5,427,496 | 2,724,004 | |
| 6 | Excise Tax (2000) | -8,056 | | | | |
| 7 | Excise Tax (2001) | -54,473 | | | | |
| 8 | Excise Tax (2002) | -7,135 | | | 616 | |
| 9 | Excise Tax (2003) | | | 86,203 | 76,340 | |
| 10 | Unemployment Ins. (2003) | | | | | |
| 11 | Motor Vehicle Ins. (2003) | | | 2,048 | 2,048 | |
| 12 | Irrigation Credits (2002) | | | 21 | 5,751 | |
| 13 | KWH Tax (2002) | 41,502 | | -14,955 | 26,547 | |
| 14 | KWH Tax (2003) | | | 398,793 | 332,789 | |
| 15 | Franchise Tax (2002) | 632,882 | | 426,254 | 1,141,721 | |
| 16 | Franchise Tax (2003) | | | 2,345,440 | 1,615,046 | |
| 17 | Total Idaho | 1,689,319 | | 9,125,720 | 8,801,282 | |
| 18 | | | | | | |
| 19 | STATE OF MONTANA: | | | | | |
| 20 | Income Tax (1996-2000) | 615,757 | | | | |
| 21 | Income Tax (2001) | -1,186,912 | | | | |
| 22 | Income Tax (2002) | 69,988 | | | | |
| 23 | Income Tax (2003) | | | 384,870 | 378,554 | |
| 24 | Property Tax (1999) | -93,657 | | 86,571 | | |
| 25 | Property Tax (2000) | -46,114 | | | | |
| 26 | Property Tax (2001) | 1,454 | | | | |
| 27 | Property Tax (2002) | 2,984,500 | | | 2,978,986 | |
| 28 | Property Tax (2003) | | | 6,139,704 | 3,075,236 | |
| 29 | Unemployment Ins (2002) | | | | | |
| 30 | KWH Tax (2002) | 204,574 | | 1,428 | 206,002 | |
| 31 | KWH Tax (2003) | | | 1,072,536 | 837,363 | |
| 32 | Motor Vehicle (2003) | | | 1,461 | 1,461 | |
| 33 | Consumer Council Tax | | | 649 | 2,101 | |
| 34 | Public Commission Tax | | | 869 | 875 | |
| 35 | Total Montana | 2,549,590 | | 7,688,088 | 7,480,578 | |
| 36 | | | | | | |
| 37 | STATE OF OREGON: | | | | | |
| 38 | Income Tax (1995) | -24,207 | | | | 24,207 |
| 39 | Income Tax (1999) | 214,635 | | | | |
| 40 | Income Tax (2000) | -158,916 | | | | |
| 41 | TOTAL | 22,522,183 | | 93,152,431 | 65,754,732 | -40,678,826 |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report (Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

| BALANCE AT END OF YEAR | | DISTRIBUTION OF TAXES CHARGED | | | | Line No. |
|---|---|---|---|---|---|---|
| (Taxes accrued Account 236)<br>(g) | Prepaid Taxes (Incl. in Account 165)<br>(h) | Electric (Account 408.1, 409.1)<br>(i) | Extraordinary Items (Account 409.3)<br>(j) | Adjustments to Ret. Earnings (Account 439)<br>(k) | Other<br>(l) | |
| 277,503 | | | | | 705,593 | 1 |
| -251,556 | | -18,155 | | | -233,018 | 2 |
| 47 | | | | | | 3 |
| -8,067 | | | | | | 4 |
| 2,703,492 | | 4,558,200 | | | 869,296 | 5 |
| -8,056 | | | | | | 6 |
| -54,473 | | | | | | 7 |
| -7,751 | | | | | | 8 |
| 9,863 | | 4,118 | | | 82,085 | 9 |
| | | | | | | 10 |
| | | | | | 2,048 | 11 |
| -5,730 | | 21 | | | | 12 |
| | | -14,955 | | | | 13 |
| 66,004 | | 398,793 | | | | 14 |
| -82,585 | | 299,306 | | | 126,948 | 15 |
| 730,394 | | 1,564,806 | | | 780,634 | 16 |
| 2,013,757 | | 6,792,134 | | | 2,333,586 | 17 |
| | | | | | | 18 |
| | | | | | | 19 |
| 615,757 | | | | | | 20 |
| -1,186,912 | | | | | | 21 |
| 69,988 | | | | | | 22 |
| 6,316 | | | | | 384,870 | 23 |
| -7,086 | | 86,571 | | | | 24 |
| -46,114 | | | | | | 25 |
| 1,454 | | | | | | 26 |
| 5,514 | | | | | | 27 |
| 3,064,468 | | 6,139,704 | | | | 28 |
| | | | | | | 29 |
| | | 1,428 | | | | 30 |
| 235,173 | | 1,072,536 | | | | 31 |
| | | | | | 1,461 | 32 |
| -1,452 | | 649 | | | | 33 |
| -6 | | 869 | | | | 34 |
| 2,757,100 | | 7,301,757 | | | 386,331 | 35 |
| | | | | | | 36 |
| | | | | | | 37 |
| | | | | | | 38 |
| 214,635 | | | | | | 39 |
| -158,916 | | | | | | 40 |
| 9,241,055 | | 67,187,950 | | | 25,964,481 | 41 |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

## TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b)amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

| Line No. | Kind of Tax (See instruction 5) (a) | BALANCE AT BEGINNING OF YEAR Taxes Accrued (Account 236) (b) | Prepaid Taxes (Include in Account 165) (c) | Taxes Charged During Year (d) | Taxes Paid During Year (e) | Adjust- ments (f) |
|---|---|---|---|---|---|---|
| 1 | Income Tax (2001) | -854,485 | | | | |
| 2 | Income Tax (2002) | 216,117 | | | | |
| 3 | Income Tax (2003) | | | 160,362 | 140,209 | |
| 4 | Property Tax (1999-2000) | 55,143 | | | | |
| 5 | Property Tax (2001) | 20,499 | | | | |
| 6 | Proprty Tax (2002) | -471,442 | | 411,387 | | |
| 7 | Property Tax (2003) | | | 1,288,345 | 2,542,695 | |
| 8 | Unemployment Ins. (2003) | | | | | |
| 9 | Motor Vehicle (2003) | | | 1,277 | 1,277 | |
| 10 | Busn Energy Tax Credit | -414,235 | | | | |
| 11 | Busn Energy Tax Credit | -34,243 | | | | |
| 12 | Busn Energy Tax Credit | -55,790 | | | | |
| 13 | Busn Energy Tax Credit | | | -63,885 | | |
| 14 | Franchise Tax (2002) | 221,428 | | 277,290 | 614,682 | |
| 15 | Franchise Tax (2003) | | | 1,793,430 | 1,578,524 | |
| 16 | Total Oregon | -1,285,496 | | 3,868,206 | 4,877,387 | 24,207 |
| 17 | | | | | | |
| 18 | STATE OF CALIFORNIA: | | | | | |
| 19 | Income Tax (1996-2000) | 158,423 | | | | |
| 20 | Income Tax (2001) | -142,429 | | | | |
| 21 | Income Tax 2002 | 26,863 | | | | |
| 22 | Income Tax 2003 | | | 32,074 | 49,132 | |
| 23 | Property Tax (1999) | 128,479 | | -1 | -1 | |
| 24 | Property Tax (2000-2001) | 3,906 | | -5,358 | | |
| 25 | Property Tax (2002) | -53,986 | | 60,336 | | |
| 26 | Property Tax (2003) | | | 57,268 | 114,533 | |
| 27 | Excise Tax (1999-2000) | -2,163 | | | | |
| 28 | Excise Tax (2001) | -34 | | | | |
| 29 | Franchise Tax (2002) | 557,747 | | | | |
| 30 | Franchise Tax (2003) | | | 329,878 | 390,726 | |
| 31 | California PUC Tax | | | | -137 | |
| 32 | California Gas Surcharge | | | | | |
| 33 | California Use Tax | | | 516 | 516 | |
| 34 | Total California | 676,806 | | 474,713 | 554,769 | |
| 35 | | | | | | |
| 36 | STATE OF ARIZONA: | | | | | |
| 37 | Income Tax (2001) | -4,226 | | | 4,901 | |
| 38 | Total Arizona | -4,226 | | | 4,901 | |
| 39 | | | | | | |
| 40 | | | | | | |
| 41 | TOTAL | 22,522,183 | | 93,152,431 | 65,754,732 | -40,678,826 |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report (Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

| BALANCE AT END OF YEAR | | DISTRIBUTION OF TAXES CHARGED | | | | Line No. |
|---|---|---|---|---|---|---|
| (Taxes accrued Account 236)<br>(g) | Prepaid Taxes (Incl. in Account 165)<br>(h) | Electric (Account 408.1, 409.1)<br>(i) | Extraordinary Items (Account 409.3)<br>(j) | Adjustments to Ret. Earnings (Account 439)<br>(k) | Other<br>(l) | |
| -854,485 | | | | | | 1 |
| 216,117 | | | | | | 2 |
| 20,153 | | | | | 160,362 | 3 |
| 55,143 | | | | | | 4 |
| 20,499 | | | | | | 5 |
| -60,055 | | | | | 411,387 | 6 |
| -1,254,350 | | 695,082 | | | 593,263 | 7 |
| | | | | | | 8 |
| | | | | | 1,277 | 9 |
| -414,235 | | | | | | 10 |
| -34,244 | | | | | | 11 |
| -55,790 | | | | | | 12 |
| -63,885 | | | | | -63,885 | 13 |
| -115,964 | | | | | 277,290 | 14 |
| 214,906 | | | | | 1,793,430 | 15 |
| -2,270,471 | | 695,082 | | | 3,173,124 | 16 |
| | | | | | | 17 |
| | | | | | | 18 |
| 158,423 | | | | | | 19 |
| -142,429 | | | | | | 20 |
| 26,863 | | | | | | 21 |
| -17,058 | | | | | 32,074 | 22 |
| 128,479 | | | | | -1 | 23 |
| -1,452 | | | | | -5,358 | 24 |
| 6,350 | | | | | 60,336 | 25 |
| -57,265 | | | | | 57,268 | 26 |
| -2,163 | | | | | | 27 |
| -34 | | | | | | 28 |
| 557,747 | | | | | | 29 |
| -60,847 | | | | | 329,878 | 30 |
| 137 | | | | | | 31 |
| | | | | | | 32 |
| | | | | | 516 | 33 |
| 596,751 | | | | | 474,713 | 34 |
| | | | | | | 35 |
| | | | | | | 36 |
| -9,127 | | | | | | 37 |
| -9,127 | | | | | | 38 |
| | | | | | | 39 |
| | | | | | | 40 |
| 9,241,055 | | 67,187,950 | | | 25,964,481 | 41 |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report (Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

## TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b)amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

| Line No. | Kind of Tax (See instruction 5) (a) | BALANCE AT BEGINNING OF YEAR Taxes Accrued (Account 236) (b) | Prepaid Taxes (Include in Account 165) (c) | Taxes Charged During Year (d) | Taxes Paid During Year (e) | Adjust-ments (f) |
|---|---|---|---|---|---|---|
| 1 | STATE OF TEXAS | | | | | |
| 2 | Unemployment Ins (2003) | | | | | |
| 3 | Total Texas | | | | | |
| 4 | STATE OF KENTUCKY | | | | | |
| 5 | Unemployment Ins (2003) | | | | | |
| 6 | Total Kentucky | | | | | |
| 7 | STATE OF VIRGINIA | | | | | |
| 8 | Unemployment Ins (2003) | | | | | |
| 9 | Total Virginia | | | | | |
| 10 | STATE OF WYOMING | | | | | |
| 11 | Unemployment Ins (2003) | | | | | |
| 12 | Total Wyoming | | | | | |
| 13 | STATE OF FLORIDA | | | | | |
| 14 | Unemployment Ins (2003) | | | | | |
| 15 | Total Florida | | | | | |
| 16 | STATE OF NEW YORK | | | | | |
| 17 | Unemployment Ins (2003) | | | | | |
| 18 | Total New York | | | | | |
| 19 | | | | | | |
| 20 | COUNTY & MUNICIPAL | | | | | |
| 21 | Occupation | 848,569 | | 15,414,218 | 15,070,666 | |
| 22 | Forrest Fire Protection | | | | | |
| 23 | Greenacres Irrigation | | | | | |
| 24 | City of Spokane PBIA | | | | 858 | |
| 25 | WA Dept of Natural | | | | | |
| 26 | Spokane Utility Tax | | | 17,970 | 17,765 | |
| 27 | Misc. | -7 | | -87,969 | 16,432 | |
| 28 | Total County | 848,562 | | 15,344,219 | 15,105,721 | |
| 29 | | | | | | |
| 30 | STATE OF ILLINOIS | | | | | |
| 31 | Unemployment Ins. 2003 | | | | | |
| 32 | Total Illinois | | | | | |
| 33 | STATE OF UTAH | | | | | |
| 34 | Unemployment Ins. 2003 | | | | | |
| 35 | Total Utah | | | | | |
| 36 | | | | | | |
| 37 | | | | | | |
| 38 | | | | | | |
| 39 | | | | | | |
| 40 | | | | | | |
| 41 | TOTAL | 22,522,183 | | 93,152,431 | 65,754,732 | -40,678,826 |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

| BALANCE AT END OF YEAR | | DISTRIBUTION OF TAXES CHARGED | | | | Line No. |
|---|---|---|---|---|---|---|
| (Taxes accrued Account 236)<br>(g) | Prepaid Taxes (Incl. in Account 165)<br>(h) | Electric (Account 408.1, 409.1)<br>(i) | Extraordinary Items (Account 409.3)<br>(j) | Adjustments to Ret. Earnings (Account 439)<br>(k) | Other<br>(l) | |
| | | | | | | 1 |
| | | | | | | 2 |
| | | | | | | 3 |
| | | | | | | 4 |
| | | | | | | 5 |
| | | | | | | 6 |
| | | | | | | 7 |
| | | | | | | 8 |
| | | | | | | 9 |
| | | | | | | 10 |
| | | | | | | 11 |
| | | | | | | 12 |
| | | | | | | 13 |
| | | | | | | 14 |
| | | | | | | 15 |
| | | | | | | 16 |
| | | | | | | 17 |
| | | | | | | 18 |
| | | | | | | 19 |
| | | | | | | 20 |
| 1,192,123 | | 10,712,460 | | | 4,701,758 | 21 |
| | | | | | | 22 |
| | | | | | | 23 |
| -858 | | | | | | 24 |
| | | | | | | 25 |
| 205 | | 17,970 | | | | 26 |
| -104,408 | | -39,014 | | | -48,955 | 27 |
| 1,087,062 | | 10,691,416 | | | 4,652,803 | 28 |
| | | | | | | 29 |
| | | | | | | 30 |
| | | | | | | 31 |
| | | | | | | 32 |
| | | | | | | 33 |
| | | | | | | 34 |
| | | | | | | 35 |
| | | | | | | 36 |
| | | | | | | 37 |
| | | | | | | 38 |
| | | | | | | 39 |
| | | | | | | 40 |
| 9,241,055 | | 67,187,950 | | | 25,964,481 | 41 |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

## ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g).Include in column (i) the average period over which the tax credits are amortized.

| Line No. | Account Subdivisions (a) | Balance at Beginning of Year (b) | Deferred for Year: Account No. (c) | Deferred for Year: Amount (d) | Allocations to Current Year's Income: Account No. (e) | Allocations to Current Year's Income: Amount (f) | Adjustments (g) |
|---|---|---|---|---|---|---|---|
| 1 | Electric Utility | | | | | | |
| 2 | 3% | | | | | | |
| 3 | 4% | | | | | | |
| 4 | 7% | | | | | | |
| 5 | 10% | | | | | | |
| 6 | | | | | | | |
| 7 | | | | | | | |
| 8 | TOTAL | | | | | | |
| 9 | Other (List separately and show 3%, 4%, 7%, 10% and TOTAL) | | | | | | |
| 10 | Gas Propertry (10%) | 669,576 | | | 1411.40 | 49,308 | |
| 11 | | | | | | | |
| 12 | TOTAL PROPERTY | 669,576 | | | | 49,308 | |
| 13 | | | | | | | |
| 14 | | | | | | | |
| 15 | | | | | | | |
| 16 | | | | | | | |
| 17 | | | | | | | |
| 18 | | | | | | | |
| 19 | | | | | | | |
| 20 | | | | | | | |
| 21 | | | | | | | |
| 22 | | | | | | | |
| 23 | | | | | | | |
| 24 | | | | | | | |
| 25 | | | | | | | |
| 26 | | | | | | | |
| 27 | | | | | | | |
| 28 | | | | | | | |
| 29 | | | | | | | |
| 30 | | | | | | | |
| 31 | | | | | | | |
| 32 | | | | | | | |
| 33 | | | | | | | |
| 34 | | | | | | | |
| 35 | | | | | | | |
| 36 | | | | | | | |
| 37 | | | | | | | |
| 38 | | | | | | | |
| 39 | | | | | | | |
| 40 | | | | | | | |
| 41 | | | | | | | |
| 42 | | | | | | | |
| 43 | | | | | | | |
| 44 | | | | | | | |
| 45 | | | | | | | |
| 46 | | | | | | | |
| 47 | | | | | | | |
| 48 | | | | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

| Balance at End of Year (h) | Average Period of Allocation to Income (i) | ADJUSTMENT EXPLANATION | Line No. |
|---|---|---|---|
| | | | 1 |
| | | | 2 |
| | | | 3 |
| | | | 4 |
| | | | 5 |
| | | | 6 |
| | | | 7 |
| | | | 8 |
| | | | 9 |
| 620,268 | | | 10 |
| | | | 11 |
| 620,268 | | | 12 |
| | | | 13 |
| | | | 14 |
| | | | 15 |
| | | | 16 |
| | | | 17 |
| | | | 18 |
| | | | 19 |
| | | | 20 |
| | | | 21 |
| | | | 22 |
| | | | 23 |
| | | | 24 |
| | | | 25 |
| | | | 26 |
| | | | 27 |
| | | | 28 |
| | | | 29 |
| | | | 30 |
| | | | 31 |
| | | | 32 |
| | | | 33 |
| | | | 34 |
| | | | 35 |
| | | | 36 |
| | | | 37 |
| | | | 38 |
| | | | 39 |
| | | | 40 |
| | | | 41 |
| | | | 42 |
| | | | 43 |
| | | | 44 |
| | | | 45 |
| | | | 46 |
| | | | 47 |
| | | | 48 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## OTHER DEFFERED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than $10,000, whichever is greater) may be grouped by classes.

| Line No. | Description and Other Deferred Credits (a) | Balance at Beginning of Year (b) | DEBITS Contra Account (c) | DEBITS Amount (d) | Credits (e) | Balance at End of Year (f) |
|---|---|---|---|---|---|---|
| 1 | Unearned Interest - Customer | | | | | |
| 2 | wiring & conversions 253.00 | 8,059 | 419 | 14,938 | 9,231 | 2,352 |
| 3 | | | | | | |
| 4 | Deferred revenue prepayment - | | | | | |
| 5 | Pacific Walla Walla/Enterprise | | | | | |
| 6 | Amort = 19 yrs 253.08 | 60,918 | 456 | 9,372 | | 51,546 |
| 7 | | | | | | |
| 8 | CIT Oper Lease 253.09, 9/2006 | | 931 | 19,638 | 127,649 | 108,011 |
| 9 | | | | | | |
| 10 | BPA C&RD Receipts 253.10 | 65,700 | | 394,200 | 394,380 | 65,880 |
| 11 | | | | | | |
| 12 | Trust Fund - Centralia 253.11 | 890,418 | 186 | 1,553 | 4,224 | 893,089 |
| 13 | | | | | | |
| 14 | Rathdrum Refund 253.12 | 577,798 | 550 | 33,822 | | 543,976 |
| 15 | Amort =25 years, through 1/2020 | | | | | |
| 16 | | | | | | |
| 17 | Supplemental Executive | 12,541,399 | 426, 228 | 1,363,362 | 2,023,358 | 13,201,395 |
| 18 | Retirement Plan 253.29 | | | | | |
| 19 | | | | | | |
| 20 | Gain on Sale and leaseback | 2,353,104 | 985 | 261,456 | | 2,091,648 |
| 21 | of Building (Amortization period | | | | | |
| 22 | is 25 years) 253.85 & 253.86 | | | | | |
| 23 | | | | | | |
| 24 | ID Clark Fork Relicensing 253.89 | -391,349 | 419 | 538,018 | 511,824 | -417,543 |
| 25 | | | | | | |
| 26 | Deferred Comp. 253.90,91,92 | 11,647,780 | 131, 930 | 1,322,499 | 1,881,508 | 12,206,789 |
| 27 | | | | | | |
| 28 | FAS5 Mark to Market 253.95 | 1,951,579 | 186,557 | 34,975,345 | 38,285,172 | 5,261,406 |
| 29 | | | | | | |
| 30 | | | | | | |
| 31 | | | | | | |
| 32 | | | | | | |
| 33 | | | | | | |
| 34 | | | | | | |
| 35 | | | | | | |
| 36 | | | | | | |
| 37 | | | | | | |
| 38 | | | | | | |
| 39 | | | | | | |
| 40 | | | | | | |
| 41 | | | | | | |
| 42 | | | | | | |
| 43 | | | | | | |
| 44 | | | | | | |
| 45 | | | | | | |
| 46 | | | | | | |
| 47 | TOTAL | 29,705,406 | | 38,934,203 | 43,237,346 | 34,008,549 |

This Page Intentionally Left Blank

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## ACCUMULATED DEFFERED INCOME TAXES - OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization
2. For other (Specify),include deferrals relating to other income and deductions.

| Line No. | Account | Balance at Beginning of Year | CHANGES DURING YEAR | |
|---|---|---|---|---|
| | | | Amounts Debited to Account 410.1 | Amounts Credited to Account 411.1 |
| | (a) | (b) | (c) | (d) |
| 1 | Account 282 | | | |
| 2 | Electric | 166,886,421 | 5,786,348 | |
| 3 | Gas | 36,997,495 | 3,097,793 | |
| 4 | General Common | 11,713,914 | -819,604 | |
| 5 | TOTAL (Enter Total of lines 2 thru 4) | 215,597,830 | 8,064,537 | |
| 6 | Non-operating | 2,391,875 | 3,299 | |
| 7 | | | | |
| 8 | | | | |
| 9 | TOTAL Account 282 (Enter Total of lines 5 thru | 217,989,705 | 8,067,836 | |
| 10 | Classification of TOTAL | | | |
| 11 | Federal Income Tax | 211,443,459 | 7,248,540 | |
| 12 | State Income Tax | 6,546,246 | 819,297 | |
| 13 | Local Income Tax | | | |

NOTES

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

## ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

| CHANGES DURING YEAR | | ADJUSTMENTS | | | | Balance at End of Year | Line No. |
|---|---|---|---|---|---|---|---|
| Amounts Debited to Account 410.2 | Amounts Credited to Account 411.2 | Debits | | Credits | | | |
| | | Account Credited | Amount | Account Debited | Amount | | |
| (e) | (f) | (g) | (h) | (i) | (j) | (k) | |
| | | | | | | | 1 |
| | | | | 236.00 | 26,184,288 | 198,857,057 | 2 |
| | | | | 236.00 | 7,807,792 | 47,903,080 | 3 |
| | | | | 236.00 | 4,971,675 | 15,865,985 | 4 |
| | | | | | 38,963,755 | 262,626,122 | 5 |
| | | | | | | 2,395,174 | 6 |
| | | | | | | | 7 |
| | | | | | | | 8 |
| | | | | | 38,963,755 | 265,021,296 | 9 |
| | | | | | | | 10 |
| | | | | | | 218,691,999 | 11 |
| | | | | | | 7,365,543 | 12 |
| | | | | | | | 13 |

NOTES (Continued)

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## ACCUMULATED DEFFERED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For other (Specify),include deferrals relating to other income and deductions.

| Line No. | Account (a) | Balance at Beginning of Year (b) | CHANGES DURING YEAR Amounts Debited to Account 410.1 (c) | CHANGES DURING YEAR Amounts Credited to Account 411.1 (d) |
|---|---|---|---|---|
| 1 | Account 283 | | | |
| 2 | Electric | | | |
| 3 | Electric | 123,350,947 | -6,650,797 | 508,356 |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | TOTAL Electric (Total of lines 3 thru 8) | 123,350,947 | -6,650,797 | 508,356 |
| 10 | Gas | | | |
| 11 | Gas | 5,507,178 | -2,096,825 | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | | | | |
| 16 | | | | |
| 17 | TOTAL Gas (Total of lines 11 thru 16) | 5,507,178 | -2,096,825 | |
| 18 | Other | 133,359,117 | -49,452 | |
| 19 | TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18) | 262,217,242 | -8,797,074 | 508,356 |
| 20 | Classification of TOTAL | | | |
| 21 | Federal Income Tax | | | |
| 22 | State Income Tax | | | |
| 23 | Local Income Tax | | | |

NOTES

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

| CHANGES DURING YEAR | | ADJUSTMENTS | | | | Balance at End of Year | Line No. |
|---|---|---|---|---|---|---|---|
| Amounts Debited to Account 410.2 | Amounts Credited to Account 411.2 | Debits | | Credits | | | |
| | | Account Credited | Amount | Account Debited | Amount | | |
| (e) | (f) | (g) | (h) | (i) | (j) | (k) | |
| | | | | | | | 1 |
| | | | | | | | 2 |
| 2,703,177 | | 182.32 | 719,868 | | | 118,175,103 | 3 |
| | | 182.32 | 737,254 | | | -737,254 | 4 |
| | | | | | | | 5 |
| | | | | | | | 6 |
| | | | | | | | 7 |
| | | | | | | | 8 |
| 2,703,177 | | | 1,457,122 | | | 117,437,849 | 9 |
| | | | | | | | 10 |
| 79,869 | | | | | | 3,490,222 | 11 |
| | | | | | | | 12 |
| | | | | | | | 13 |
| | | | | | | | 14 |
| | | | | | | | 15 |
| | | | | | | | 16 |
| 79,869 | | | | | | 3,490,222 | 17 |
| | | 182.31 | 6,681,869 | 182.32 | 737,254 | 127,365,050 | 18 |
| 2,783,046 | | | 8,138,991 | | 737,254 | 248,293,121 | 19 |
| | | | | | | | 20 |
| | | | | | | | 21 |
| | | | | | | | 22 |
| | | | | | | | 23 |

NOTES (Continued)

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## OTHER REGULATORY LIABILITIES (Account 254)

1. Reporting below the particulars (Details) called for concerning other regulatory liabilities which are created through the rate-making actions of regulatory agencies (and not includable in other amounts)
2. For regulatory Liabilities being amortized show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than $50,000, whichever is Less) may be grouped by classes.

| Line No. | Description and Purpose of Other Regulatory Liabilities | DEBITS | | Credits | Balance at End of Year |
|---|---|---|---|---|---|
| | | Account Credited | Amount | | |
| | (a) | (b) | (c) | (d) | (e) |
| 1 | Centralia Sale 254.11, 028 & 038 | 407.41 | 1,763,806 | | 6,674,973 |
| 2 | | | | | |
| 3 | FAS 109 - Accounting for Income Taxes 254.18 | 190.18 | 26,556 | | 334,020 |
| 4 | | | | | |
| 5 | Nez Perce - Regulatory Liability 254.22 | 186.80/557.2 | 22,008 | | 880,436 |
| 6 | | | | | |
| 7 | BPA Residential Exchange 254.45, 028 | 407.45 | 145,930 | | |
| 8 | BPA Residential Exchange 254.45, 038 | 407.45 | 45,835 | | 16,333 |
| 9 | BPA Residential Exchange 254.45, 098 | 182.45 | | 1,679,445 | 1,679,445 |
| 10 | | | | | |
| 11 | Mark to Market FAS133 - Reg Liab 254.74 | 176.74/245.7 | 83,976,277 | 77,154,171 | 3,442,499 |
| 12 | | | | | |
| 13 | | | | | |
| 14 | | | | | |
| 15 | | | | | |
| 16 | | | | | |
| 17 | | | | | |
| 18 | | | | | |
| 19 | | | | | |
| 20 | | | | | |
| 21 | | | | | |
| 22 | | | | | |
| 23 | | | | | |
| 24 | | | | | |
| 25 | | | | | |
| 26 | | | | | |
| 27 | | | | | |
| 28 | | | | | |
| 29 | | | | | |
| 30 | | | | | |
| 31 | | | | | |
| 32 | | | | | |
| 33 | | | | | |
| 34 | | | | | |
| 35 | | | | | |
| 36 | | | | | |
| 37 | | | | | |
| 38 | | | | | |
| 39 | | | | | |
| 40 | | | | | |
| 41 | TOTAL | | 85,980,412 | 78,833,616 | 13,027,706 |

**This Page Intentionally Left Blank**

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## ELECTRIC OPERATING REVENUES (Account 400)

1. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
2. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
3. If increases or decreases from previous year (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

| Line No. | Title of Account<br>(a) | OPERATING REVENUES<br>Amount for Year<br>(b) | Amount for Previous Year<br>(c) |
|---|---|---|---|
| 1 | Sales of Electricity | | |
| 2 | (440) Residential Sales | 204,783,348 | 196,156,154 |
| 3 | (442) Commercial and Industrial Sales | | |
| 4 | Small (or Comm.) (See Instr. 4) | 201,339,021 | 194,732,477 |
| 5 | Large (or Ind.) (See Instr. 4) | 78,276,186 | 68,096,108 |
| 6 | (444) Public Street and Highway Lighting | 4,769,419 | 4,682,491 |
| 7 | (445) Other Sales to Public Authorities | | |
| 8 | (446) Sales to Railroads and Railways | | |
| 9 | (448) Interdepartmental Sales | 864,929 | 900,386 |
| 10 | TOTAL Sales to Ultimate Consumers | 490,032,903 | 464,567,616 |
| 11 | (447) Sales for Resale | 74,652,692 | 64,082,272 |
| 12 | TOTAL Sales of Electricity | 564,685,595 | 528,649,888 |
| 13 | (Less) (449.1) Provision for Rate Refunds | | |
| 14 | TOTAL Revenues Net of Prov. for Refunds | 564,685,595 | 528,649,888 |
| 15 | Other Operating Revenues | | |
| 16 | (450) Forfeited Discounts | | |
| 17 | (451) Miscellaneous Service Revenues | 523,157 | 532,286 |
| 18 | (453) Sales of Water and Water Power | 453,494 | 58,862 |
| 19 | (454) Rent from Electric Property | 2,259,685 | 1,992,663 |
| 20 | (455) Interdepartmental Rents | | |
| 21 | (456) Other Electric Revenues | 84,189,519 | 52,907,304 |
| 22 | | | |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | TOTAL Other Operating Revenues | 87,425,855 | 55,491,115 |
| 27 | TOTAL Electric Operating Revenues | 652,111,450 | 584,141,003 |

ELECTRIC OPERATING REVENUES (Account 400)

4. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
5. See pages 108-109, Important Changes During Year, for important new territory added and important rate increase or decreases.
6. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
7. Include unmetered sales. Provide details of such Sales in a footnote.

| MEGAWATT HOURS SOLD | | AVG.NO. CUSTOMERS PER MONTH | | Line No. |
|---|---|---|---|---|
| Amount for Year (d) | Amount for Previous Year (e) | Number for Year (f) | Number for Previous Year (g) | |
| | | | | 1 |
| 3,297,859 | 3,202,948 | 283,497 | 279,735 | 2 |
| | | | | 3 |
| 2,919,430 | 2,836,717 | 36,279 | 35,910 | 4 |
| 1,785,093 | 1,519,104 | 1,414 | 1,420 | 5 |
| 25,281 | 25,163 | 422 | 413 | 6 |
| | | | | 7 |
| | | | | 8 |
| 13,503 | 14,097 | 66 | 70 | 9 |
| 8,041,166 | 7,598,029 | 321,678 | 317,548 | 10 |
| 2,075,245 | 2,215,545 | 47 | 46 | 11 |
| 10,116,411 | 9,813,574 | 321,725 | 317,594 | 12 |
| | | | | 13 |
| 10,116,411 | 9,813,574 | 321,725 | 317,594 | 14 |

Line 12, column (b) includes $ 4,019,461 of unbilled revenues.
Line 12, column (d) includes 43,407 MWH relating to unbilled revenues

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report (Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

## SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

| Line No. | Number and Title of Rate schedule (a) | MWh Sold (b) | Revenue (c) | Average Number of Customers (d) | KWh of Sales Per Customer (e) | Revenue Per KWh Sold (f) |
|---|---|---|---|---|---|---|
| 1 | RESIDENTIAL SALES (440) | | | | | |
| 2 | 1 Residential Service | 3,183,786 | 189,699,823 | 272,406 | 11,688 | 0.0596 |
| 3 | 2 Residential Service | | | | | |
| 4 | 3 Residential Service | | | | | |
| 5 | 12 Res. & Farm Gen. Service | 49,698 | 4,620,257 | 9,615 | 5,169 | 0.0930 |
| 6 | 15 MOPS II Residential | | | | | |
| 7 | 22 Res. & Farm Lg. Gen. Service | 27,879 | 1,707,201 | 70 | 398,271 | 0.0612 |
| 8 | 30 Pumping-Special | | | | | |
| 9 | 32 Res. & Farm Pumping Service | 10,858 | 716,839 | 1,406 | 7,723 | 0.0660 |
| 10 | 48 Res. & Farm Area Lighting | 5,300 | 901,495 | | | 0.1701 |
| 11 | 49 Area Lighting-High-Press. | 266 | 56,939 | | | 0.2141 |
| 12 | 56 Centralia Refund | | 8 | | | |
| 13 | 95 Wind Power | | 97,090 | | | |
| 14 | 72 Residential Service | | | | | |
| 15 | 73 Residential Service | | | | | |
| 16 | 74 Residential Service | | | | | |
| 17 | 76 Residential Service | | | | | |
| 18 | 77 Residential Service | | | | | |
| 19 | 58A Tax Adjustment | | -34,247 | | | |
| 20 | 58 Tax Adjustment | | 5,234,055 | | | |
| 21 | SubTotal | 3,277,787 | 202,999,460 | 283,497 | 11,562 | 0.0619 |
| 22 | Residential-Unbilled | 20,072 | 1,783,888 | | | 0.0889 |
| 23 | Total Residential Sales | 3,297,859 | 204,783,348 | 283,497 | 11,633 | 0.0621 |
| 24 | | | | | | |
| 25 | COMMERCIAL SALES (442) | | | | | |
| 26 | 2 General Service | | | | | |
| 27 | 3 General Service | | | | | |
| 28 | 11 General Service | 555,939 | 48,220,711 | 30,728 | 18,092 | 0.0867 |
| 29 | 13 MOPS II Commercial | | | | | |
| 30 | 16 MOPS II Commercial | | | | | |
| 31 | 19 Contract-General Service | | | | | |
| 32 | 21 Large General Service | 1,945,717 | 125,649,679 | 4,725 | 411,792 | 0.0646 |
| 33 | 25 Extra Lg. Gen. Service | 325,900 | 13,865,111 | 11 | 29,627,273 | 0.0425 |
| 34 | 28 Contract-Extra Large Serv | 1,195 | 48,144 | 1 | 1,195,000 | 0.0403 |
| 35 | 31 Pumping Service | 58,198 | 3,416,069 | 814 | 71,496 | 0.0587 |
| 36 | 47 Area Lighting-Sod. Vap | 7,442 | 1,111,370 | | | 0.1493 |
| 37 | 49 Area Lighting-High-Press. | 2,113 | 351,200 | | | 0.1662 |
| 38 | 56 Centralia Refune | | 4 | | | |
| 39 | 95 Wind Power | | 14,760 | | | |
| 40 | 74 Large General Service | | | | | |
| | | | | | | |
| 41 | TOTAL Billed | 10,073,004 | 560,666,134 | 321,725 | 31,309 | 0.0557 |
| 42 | Total Unbilled Rev.(See Instr. 6) | 43,407 | 4,019,461 | 0 | 0 | 0.0926 |
| 43 | TOTAL | 10,116,411 | 564,685,595 | 321,725 | 31,444 | 0.0558 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

| Line No. | Number and Title of Rate schedule (a) | MWh Sold (b) | Revenue (c) | Average Number of Customers (d) | KWh of Sales Per Customer (e) | Revenue Per KWh Sold (f) |
|---|---|---|---|---|---|---|
| 1 | 75 Large General Service | | | | | |
| 2 | 76 Large General Service | | | | | |
| 3 | 77 General Service | | | | | |
| 4 | 58A Tax Adjustment | | -23,552 | | | |
| 5 | 58 Tax Adjustment | | 6,645,983 | | | |
| 6 | SubTotal | 2,896,504 | 199,299,479 | 36,279 | 79,840 | 0.0688 |
| 7 | Commercial-Unbilled | 22,926 | 2,039,542 | | | 0.0890 |
| 8 | Total Commercial | 2,919,430 | 201,339,021 | 36,279 | 80,472 | 0.0690 |
| 9 | | | | | | |
| 10 | INDUSTRIAL SALES (442) | | | | | |
| 11 | 2 General Service | | | | | |
| 12 | 3 General Service | | | | | |
| 13 | 8 Lg Gen Time of Use | | | | | |
| 14 | 11 General Service | 5,955 | 540,282 | 255 | 23,353 | 0.0907 |
| 15 | 16 MOPS II Industrial | | | | | |
| 16 | 21 Large General Service | 205,359 | 12,961,142 | 215 | 955,158 | 0.0631 |
| 17 | 25 Extra Lg. Gen. Service | 1,439,814 | 58,765,053 | 24 | 59,992,250 | 0.0408 |
| 18 | 28 Contract - Extra Large Service | 3,803 | 406,888 | | | 0.1070 |
| 19 | 29 Contract Lg. Gen. Service | 42,946 | | 1 | 42,946,000 | |
| 20 | 30 Pumping Service - Special | 25,185 | 1,255,879 | 42 | 599,643 | 0.0499 |
| 21 | 31 Pumping Service | 56,184 | 3,364,353 | 718 | 78,251 | 0.0599 |
| 22 | 32 Pumping Svc Res & Firm | 5,131 | 299,306 | 159 | 32,270 | 0.0583 |
| 23 | 47 Area Lighting-Sod. Vap. | 258 | 33,587 | | | 0.1302 |
| 24 | 49 Area Lighting - High-Press | 49 | 7,398 | | | 0.1510 |
| 25 | 56 Centralia Refund. | | | | | |
| 26 | 72 General Service | | | | | |
| 27 | 73 General Service | | | | | |
| 28 | 74 Large General Service | | | | | |
| 29 | 75 Large General Service | | | | | |
| 30 | 76 Pumping Service | | | | | |
| 31 | 77 General Service | | | | | |
| 32 | 58A Tax Adjustment | | -861 | | | |
| 33 | 58 Tax Adjustment | | 447,128 | | | |
| 34 | SubTotal | 1,784,684 | 78,080,155 | 1,414 | 1,262,153 | 0.0438 |
| 35 | Industrial-Unbilled | 409 | 196,031 | | | 0.4793 |
| 36 | Total Industrial | 1,785,093 | 78,276,186 | 1,414 | 1,262,442 | 0.0438 |
| 37 | | | | | | |
| 38 | STREET AND HWY LIGHTING (444) | | | | | |
| 39 | 6 Mercury Vapor St. Ltg. | | | | | |
| 40 | 7 HP Sodium Vap. St. Ltg | | | | | |
| | | | | | | |
| 41 | TOTAL Billed | 10,073,004 | 560,666,134 | 321,725 | 31,309 | 0.0557 |
| 42 | Total Unbilled Rev.(See Instr. 6) | 43,407 | 4,019,461 | 0 | 0 | 0.0926 |
| 43 | TOTAL | 10,116,411 | 564,685,595 | 321,725 | 31,444 | 0.0558 |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

## SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

| Line No. | Number and Title of Rate schedule (a) | MWh Sold (b) | Revenue (c) | Average Number of Customers (d) | KWh of Sales Per Customer (e) | Revenue Per KWh Sold (f) |
|---|---|---|---|---|---|---|
| 1 | 11 General Service | 158 | 14,440 | 25 | 6,320 | 0.0914 |
| 2 | 41 Co-Owned St. Lt. Service | 320 | 48,124 | 17 | 18,824 | 0.1504 |
| 3 | 42 Co-Owned St. Lt. Service | 18,215 | 4,120,860 | 292 | 62,380 | 0.2262 |
| 4 | High-Press. Sod. Vap. | | | | | |
| 5 | 43 Cust-Owned St. Lt. Energy | 127 | 11,708 | 3 | 42,333 | 0.0922 |
| 6 | and Maint. Service | | | | | |
| 7 | 44 Cust-Owned St. Lt. Energy | 738 | 79,607 | 30 | 24,600 | 0.1079 |
| 8 | and Maint. Svce - High-Pres | | | | | |
| 9 | Sodium Vapor | | | | | |
| 10 | 45 Cust. Owned St. Lt. Energy Svc | 2,927 | 135,009 | 20 | 146,350 | 0.0461 |
| 11 | 46 Cust. Owned St. Lt. Energy Svc | 2,796 | 194,037 | 35 | 79,886 | 0.0694 |
| 12 | 56 Centralia Refund | | | | | |
| 13 | 58 Tax Adjustment | | 165,634 | | | |
| 14 | SubTotal | 25,281 | 4,769,419 | 422 | 59,908 | 0.1887 |
| 15 | Street & Hwy Lighting-Unbilled | | | | | |
| 16 | Total Street & Hwy Lighting | 25,281 | 4,769,419 | 422 | 59,908 | 0.1887 |
| 17 | | | | | | |
| 18 | OTHER SALES TO PUBLIC | | | | | |
| 19 | (445) | | | | | |
| 20 | None | | | | | |
| 21 | | | | | | |
| 22 | INTERDEPARTMENTAL SALES | 13,503 | 864,929 | 66 | 204,591 | 0.0641 |
| 23 | 58 Tax Adjustment | | | | | |
| 24 | Total Interdepartmental | 13,503 | 864,929 | 66 | 204,591 | 0.0641 |
| 25 | | | | | | |
| 26 | SALES FOR RESALE (447) | | | | | |
| 27 | 61 Sales to Other Utilities (WA) | 1,908,420 | 68,625,588 | 38 | 50,221,579 | 0.0360 |
| 28 | 61 Sales to Other Utilities (ID) | 87,763 | 2,656,601 | 3 | 29,254,333 | 0.0303 |
| 29 | 61 Sales to Other Utilities (MT) | 79,062 | 3,370,503 | 6 | 13,177,000 | 0.0426 |
| 30 | Total Sales for Resale | 2,075,245 | 74,652,692 | 47 | 44,154,149 | 0.0360 |
| 31 | | | | | | |
| 32 | | | | | | |
| 33 | | | | | | |
| 34 | | | | | | |
| 35 | | | | | | |
| 36 | | | | | | |
| 37 | | | | | | |
| 38 | | | | | | |
| 39 | | | | | | |
| 40 | | | | | | |
| | | | | | | |
| 41 | TOTAL Billed | 10,073,004 | 560,666,134 | 321,725 | 31,309 | 0.0557 |
| 42 | Total Unbilled Rev.(See Instr. 6) | 43,407 | 4,019,461 | 0 | 0 | 0.0926 |
| 43 | TOTAL | 10,116,411 | 564,685,595 | 321,725 | 31,444 | 0.0558 |

**This Page Intentionally Left Blank**

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity ( i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do note abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
LF - for tong-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

| Line No. | Name of Company or Public Authority (Footnote Affiliations) (a) | Statistical Classification (b) | FERC Rate Schedule or Tariff Number (c) | Average Monthly Billing Demand (MW) (d) | Actual Demand (MW) Average Monthly NCP Demand (e) | Average Monthly CP Demand (f) |
|---|---|---|---|---|---|---|
| 1 | American Electric Power | SF | WSPP | | | |
| 2 | BP Energy Company | SF | WSPP | | | |
| 3 | Arizona Public Service | SF | WSPP | | | |
| 4 | Benton County Public Utility District | SF | WSPP | | | |
| 5 | Black Hills Power, Inc. | SF | WSPP | | | |
| 6 | Bonneville Power Administration | SF | WSPP | | | |
| 7 | Burbank, City of | SF | WSPP | | | |
| 8 | Calpine Corporation | SF | WSPP | | | |
| 9 | Cargill Power Markets, LLC | SF | WSPP | | | |
| 10 | Chelan County PUD No. 1 | SF | WSPP | | | |
| 11 | Chelan County PUD No. 1 | SF | Tariff 10 | | | |
| 12 | Clatskanie Peoples PUD | SF | WSPP | | | |
| 13 | Cogentrix Energy Power Marketing, Inc. | IF | Tariff 9 | | | |
| 14 | Cogentrix Energy Power Marketing, Inc. | IF | Tariff 10 | | | |
| | | | | | | |
| | Subtotal RQ | | | 0 | 0 | 0 |
| | Subtotal non-RQ | | | 0 | 0 | 0 |
| | **Total** | | | **0** | **0** | **0** |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report (Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)
demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,iine 24.

10. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Sold (g) | REVENUE Demand Charges ($) (h) | Energy Charges ($) (i) | Other Charges ($) (j) | Total ($) (h+i+j) (k) | Line No. |
|---|---|---|---|---|---|
| 39,600 | | 1,319,100 | | 1,319,100 | 1 |
| 9,600 | | 340,950 | | 340,950 | 2 |
| 6,280 | | 194,410 | | 194,410 | 3 |
| 2,318 | | 85,405 | | 85,405 | 4 |
| 1,210 | | 83,655 | | 83,655 | 5 |
| 24,941 | | 591,990 | | 591,990 | 6 |
| 800 | | 32,000 | | 32,000 | 7 |
| 62,360 | | 2,133,700 | | 2,133,700 | 8 |
| 31,390 | | 1,188,365 | | 1,188,365 | 9 |
| 25 | | 1,650 | | 1,650 | 10 |
| | 75 | | | 75 | 11 |
| 612 | | 12,669 | | 12,669 | 12 |
| 13,616 | | 542,914 | | 542,914 | 13 |
| | 51,418 | | | 51,418 | 14 |
| | | | | | |
| 0 | 0 | 0 | 0 | 0 | |
| 2,075,245 | 6,115,124 | 64,785,647 | 3,751,921 | 74,652,692 | |
| **2,075,245** | **6,115,124** | **64,785,647** | **3,751,921** | **74,652,692** | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity ( i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do note abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
LF - for tong-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

| Line No. | Name of Company or Public Authority (Footnote Affiliations) | Statistical Classification | FERC Rate Schedule or Tariff Number | Average Monthly Billing Demand (MW) | Actual Demand (MW) | |
|---|---|---|---|---|---|---|
| | | | | | Average Monthly NCP Demand | Average Monthly CP Demand |
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 1 | Conoco Phillips | SF | WSPP | | | |
| 2 | Conoco Phillips | SF | Tariff 10 | | | |
| 3 | Constellation Power Source | SF | WSPP | | | |
| 4 | Coral Power, LLC | SF | WSPP | | | |
| 5 | Douglas County PUD No. 1 | SF | WSPP | | | |
| 6 | Dynegy Power Marketing Inc. | SF | WSPP | | | |
| 7 | El Paso Merchant Energy LP | SF | WSPP | | | |
| 8 | Enmax Energy Marketing, Inc. | SF | WSPP | | | |
| 9 | Enron Power Marketing | LF | Tariff 9 | | | |
| 10 | EPCOR Merchant & Capital US | SF | WSPP | | | |
| 11 | Eugene Water & Electric Board | SF | WSPP | | | |
| 12 | Franklin County PUD No. 1 | SF | WSPP | | | |
| 13 | Grant County PUD No. 2 | SF | WSPP | | | |
| 14 | Grant County PUD No. 2 | SF | Tariff 10 | | | |
| | | | | | | |
| | Subtotal RQ | | | 0 | 0 | 0 |
| | Subtotal non-RQ | | | 0 | 0 | 0 |
| | **Total** | | | **0** | **0** | **0** |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)
demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,iine 24.

10. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Sold (g) | REVENUE: Demand Charges ($) (h) | Energy Charges ($) (i) | Other Charges ($) (j) | Total ($) (h+i+j) (k) | Line No. |
|---|---|---|---|---|---|
| 19,357 | | 835,340 | | 835,340 | 1 |
| | 34,170 | | | 34,170 | 2 |
| 33,056 | | 1,185,732 | | 1,185,732 | 3 |
| 2,050 | | 99,350 | | 99,350 | 4 |
| 2 | | 74 | | 74 | 5 |
| 30,800 | | 723,800 | | 723,800 | 6 |
| 20,400 | | 555,900 | | 555,900 | 7 |
| 2,525 | | 99,985 | | 99,985 | 8 |
| | 1,419,094 | | | 1,419,094 | 9 |
| 1,143 | | 73,944 | | 73,944 | 10 |
| 3,655 | | 124,720 | | 124,720 | 11 |
| 646 | | 19,090 | | 19,090 | 12 |
| 8,887 | | 308,456 | | 308,456 | 13 |
| | 250 | | | 250 | 14 |
| | | | | | |
| 0 | 0 | 0 | 0 | 0 | |
| 2,075,245 | 6,115,124 | 64,785,647 | 3,751,921 | 74,652,692 | |
| **2,075,245** | **6,115,124** | **64,785,647** | **3,751,921** | **74,652,692** | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity ( i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do note abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
LF - for tong-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

| Line No. | Name of Company or Public Authority (Footnote Affiliations)<br>(a) | Statistical Classification<br>(b) | FERC Rate Schedule or Tariff Number<br>(c) | Average Monthly Billing Demand (MW)<br>(d) | Actual Demand (MW) | |
|---|---|---|---|---|---|---|
| | | | | | Average Monthly NCP Demand<br>(e) | Average Monthly CP Demand<br>(f) |
| 1 | Grays Harbor County PUD No. 1 | SF | WSPP | | | |
| 2 | Hinson Power Company | SF | WSPP | | | |
| 3 | IdaCorp Energy LP | SF | WSPP | | | |
| 4 | Idaho Power Company | SF | WSPP | | | |
| 5 | Idaho Power Company | SF | Tariff 10 | | | |
| 6 | J. Aron and Company | SF | WSPP | | | |
| 7 | MIECO | SF | WSPP | | | |
| 8 | Mirant Americas Energy Marketing LP | SF | WSPP | | | |
| 9 | Mirant Americas Energy Marketing LP | IF | Tariff 9 | | | |
| 10 | Mirant Americas Energy Marketing LP | IF | Tariff 10 | | | |
| 11 | Modesto Irrigation District | SF | WSPP | | | |
| 12 | Morgan Stanley | SF | WSPP | | | |
| 13 | Northpoint Energy Solutions | SF | WSPP | | | |
| 14 | NorthWestern Energy LLC | SF | WSPP | | | |
| | | | | | | |
| | Subtotal RQ | | | 0 | 0 | 0 |
| | Subtotal non-RQ | | | 0 | 0 | 0 |
| | **Total** | | | **0** | **0** | **0** |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report (Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)
demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,iine 24.
10. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Sold (g) | REVENUE Demand Charges ($) (h) | Energy Charges ($) (i) | Other Charges ($) (j) | Total ($) (h+i+j) (k) | Line No. |
|---|---|---|---|---|---|
| 866 | | 23,255 | | 23,255 | 1 |
| 1,800 | | 62,100 | | 62,100 | 2 |
| 36,434 | | 842,836 | | 842,836 | 3 |
| 30,057 | | 1,062,867 | | 1,062,867 | 4 |
| | 9,300 | | | 9,300 | 5 |
| 68,200 | | 1,881,200 | | 1,881,200 | 6 |
| 15,375 | | 682,700 | | 682,700 | 7 |
| 2,400 | | 98,000 | | 98,000 | 8 |
| 653 | | 24,783 | | 24,783 | 9 |
| | 275,172 | | | 275,172 | 10 |
| 30,904 | | 1,316,194 | | 1,316,194 | 11 |
| 136,680 | | 4,447,713 | | 4,447,713 | 12 |
| 255 | | 8,065 | | 8,065 | 13 |
| 40,156 | | 1,377,952 | | 1,377,952 | 14 |
| | | | | | |
| 0 | 0 | 0 | 0 | 0 | |
| 2,075,245 | 6,115,124 | 64,785,647 | 3,751,921 | 74,652,692 | |
| **2,075,245** | **6,115,124** | **64,785,647** | **3,751,921** | **74,652,692** | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original (2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity ( i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do note abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
LF - for tong-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

| Line No. | Name of Company or Public Authority (Footnote Affiliations) (a) | Statistical Classification (b) | FERC Rate Schedule or Tariff Number (c) | Average Monthly Billing Demand (MW) (d) | Actual Demand (MW) Average Monthly NCP Demand (e) | Average Monthly CP Demand (f) |
|---|---|---|---|---|---|---|
| 1 | NorthWestern Energy LLC | SF | Tariff 10 | | | |
| 2 | NorthWestern Energy LLC | LF | Tariff 9 | | | |
| 3 | Okanogan County PUD | SF | Tariff 9 | | | |
| 4 | Pacific Northwest Generating Coop | SF | WSPP | | | |
| 5 | PacifiCorp | LF | 194 | 150 | 150 | 92 |
| 6 | PacifiCorp | SF | WSPP | | | |
| 7 | PacifiCorp | SF | Tariff 10 | | | |
| 8 | PacifiCorp | LF | Tariff 9 | | | |
| 9 | Peaker LLC | LF | Tariff 9 | | | |
| 10 | Pend Oreille Public Utility District | IF | Tariff 10 | | | |
| 11 | Pend Oreille Public Utility District | SF | Tariff 9 | | | |
| 12 | Pacific Gas & Electric Trading | SF | WSPP | | | |
| 13 | Portland General Electric Company | SF | WSPP | | | |
| 14 | Portland General Electric Company | SF | Tariff 10 | | | |
| | | | | | | |
| | Subtotal RQ | | | 0 | 0 | 0 |
| | Subtotal non-RQ | | | 0 | 0 | 0 |
| | **Total** | | | **0** | **0** | **0** |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)
demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,iine 24.
10. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Sold (g) | REVENUE Demand Charges ($) (h) | Energy Charges ($) (i) | Other Charges ($) (j) | Total ($) (h+i+j) (k) | Line No. |
|---|---|---|---|---|---|
| | 384,721 | | | 384,721 | 1 |
| 7,672 | | 294,755 | | 294,755 | 2 |
| 25 | | 1,300 | | 1,300 | 3 |
| 1,810 | | 47,005 | | 47,005 | 4 |
| 82,800 | 2,128,500 | 5,915,232 | | 8,043,732 | 5 |
| 32,626 | | 1,295,527 | | 1,295,527 | 6 |
| | 23,840 | | | 23,840 | 7 |
| 4,883 | | 187,571 | | 187,571 | 8 |
| | 284,482 | | | 284,482 | 9 |
| | 307,248 | | | 307,248 | 10 |
| 2,810 | 139,923 | 83,033 | | 222,956 | 11 |
| 84,975 | | 2,275,544 | | 2,275,544 | 12 |
| 149,834 | | 4,540,703 | | 4,540,703 | 13 |
| | 12,100 | | | 12,100 | 14 |
| | | | | | |
| 0 | 0 | 0 | 0 | 0 | |
| 2,075,245 | 6,115,124 | 64,785,647 | 3,751,921 | 74,652,692 | |
| **2,075,245** | **6,115,124** | **64,785,647** | **3,751,921** | **74,652,692** | |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

## SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity ( i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do note abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
LF - for tong-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

| Line No. | Name of Company or Public Authority (Footnote Affiliations)<br>(a) | Statistical Classification<br>(b) | FERC Rate Schedule or Tariff Number<br>(c) | Average Monthly Billing Demand (MW)<br>(d) | Actual Demand (MW)<br>Average Monthly NCP Demand<br>(e) | Actual Demand (MW)<br>Average Monthly CP Demand<br>(f) |
|---|---|---|---|---|---|---|
| 1 | Powerex | SF | WSPP | | | |
| 2 | P P L Montana | SF | WSPP | | | |
| 3 | P P L Montana | SF | Tariff 10 | | | |
| 4 | P P L Montana | LF | Tariff 9 | | | |
| 5 | PPM Energy, Inc. | SF | WSPP | | | |
| 6 | Public Service of Colorado | SF | WSPP | | | |
| 7 | Puget Sound Energy | SF | WSPP | | | |
| 8 | Puget Sound Energy | SF | Tariff 10 | | | |
| 9 | Puget Sound Energy | LF | Tariff 9 | | | |
| 10 | Rainbow Energy Marketing | SF | WSPP | | | |
| 11 | Redding, City of | SF | WSPP | | | |
| 12 | Sacramento Municipal Utility District | SF | WSPP | | | |
| 13 | San Diego Gas and Electric | SF | WSPP | | | |
| 14 | Seattle City Light | SF | WSPP | | | |
| | | | | | | |
| | Subtotal RQ | | | 0 | 0 | 0 |
| | Subtotal non-RQ | | | 0 | 0 | 0 |
| | **Total** | | | **0** | **0** | **0** |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)
demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,iine 24.
10. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Sold (g) | REVENUE Demand Charges ($) (h) | Energy Charges ($) (i) | Other Charges ($) (j) | Total ($) (h+i+j) (k) | Line No. |
|---|---|---|---|---|---|
| 126,930 | | 3,692,952 | | 3,692,952 | 1 |
| 13,804 | | 472,182 | | 472,182 | 2 |
| | 172,435 | | | 172,435 | 3 |
| 17,430 | | 669,897 | | 669,897 | 4 |
| 15,996 | | 539,324 | | 539,324 | 5 |
| 101,173 | | 3,662,728 | | 3,662,728 | 6 |
| 106,520 | | 2,858,137 | | 2,858,137 | 7 |
| | 10,600 | | | 10,600 | 8 |
| 22,315 | 857,469 | | | 857,469 | 9 |
| 16 | | 607 | | 607 | 10 |
| 25,621 | | 1,010,046 | | 1,010,046 | 11 |
| 185,672 | | 6,695,852 | | 6,695,852 | 12 |
| 2,096 | | 75,866 | | 75,866 | 13 |
| 15,838 | | 514,622 | | 514,622 | 14 |
| | | | | | |
| 0 | 0 | 0 | 0 | 0 | |
| 2,075,245 | 6,115,124 | 64,785,647 | 3,751,921 | 74,652,692 | |
| **2,075,245** | **6,115,124** | **64,785,647** | **3,751,921** | **74,652,692** | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity ( i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do note abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for tong-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.

SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.

LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

| Line No. | Name of Company or Public Authority (Footnote Affiliations)<br>(a) | Statistical Classifi-cation<br>(b) | FERC Rate Schedule or Tariff Number<br>(c) | Average Monthly Billing Demand (MW)<br>(d) | Actual Demand (MW): Average Monthly NCP Demand<br>(e) | Actual Demand (MW): Average Monthly CP Demand<br>(f) |
|---|---|---|---|---|---|---|
| 1 | Seattle City Light | SF | Tariff 10 | | | |
| 2 | Sempra | SF | WSPP | | | |
| 3 | Sierra Pacific Power Company | SF | WSPP | | | |
| 4 | Snohomish County PUD | SF | WSPP | | | |
| 5 | Sovereign Power | IF | Tariff 10 | | | |
| 6 | Tacoma Power | SF | WSPP | | | |
| 7 | Tacoma Power | SF | Tariff 10 | | | |
| 8 | TransAlta Energy Marketing | SF | WSPP | | | |
| 9 | TransCanada Power, LP | SF | WSPP | | | |
| 10 | Turlock Irrigation District | SF | WSPP | | | |
| 11 | Williams Energy Services Company | SF | WSPP | | | |
| 12 | IntraCompany Wheeling | LF | | | | |
| 13 | IntraCompany Generation | LF | | | | |
| 14 | Revenue Adjustment | OS | | | | |
| | | | | | | |
| | Subtotal RQ | | | 0 | 0 | 0 |
| | Subtotal non-RQ | | | 0 | 0 | 0 |
| | **Total** | | | **0** | **0** | **0** |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)
demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,iine 24.
10. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Sold (g) | REVENUE Demand Charges ($) (h) | Energy Charges ($) (i) | Other Charges ($) (j) | Total ($) (h+i+j) (k) | Line No. |
|---|---|---|---|---|---|
| | 2,825 | | | 2,825 | 1 |
| 4,400 | | 173,850 | | 173,850 | 2 |
| 21,271 | | 724,924 | | 724,924 | 3 |
| 575 | | 27,200 | | 27,200 | 4 |
| | 1,252 | | | 1,252 | 5 |
| 477 | | 11,738 | | 11,738 | 6 |
| | 250 | | | 250 | 7 |
| 128,693 | | 4,183,099 | | 4,183,099 | 8 |
| 50 | | 1,200 | | 1,200 | 9 |
| 29,624 | | 1,182,924 | | 1,182,924 | 10 |
| 210,350 | | 4,963,669 | | 4,963,669 | 11 |
| | | -3,704,012 | 3,704,012 | | 12 |
| | | | 47,909 | 47,909 | 13 |
| -94 | | 7,308 | | 7,308 | 14 |
| | | | | | |
| 0 | 0 | 0 | 0 | 0 | |
| 2,075,245 | 6,115,124 | 64,785,647 | 3,751,921 | 74,652,692 | |
| **2,075,245** | **6,115,124** | **64,785,647** | **3,751,921** | **74,652,692** | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## ELECTRIC OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnote.

| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) |
|---|---|---|---|
| 1 | 1. POWER PRODUCTION EXPENSES | | |
| 2 | A. Steam Power Generation | | |
| 3 | Operation | | |
| 4 | (500) Operation Supervision and Engineering | 315,045 | 214,537 |
| 5 | (501) Fuel | 18,022,235 | 15,531,714 |
| 6 | (502) Steam Expenses | 1,530,452 | 815,779 |
| 7 | (503) Steam from Other Sources | 4,329 | 2,878 |
| 8 | (Less) (504) Steam Transferred-Cr. | | |
| 9 | (505) Electric Expenses | 692,696 | 590,407 |
| 10 | (506) Miscellaneous Steam Power Expenses | 1,518,455 | 2,984,404 |
| 11 | (507) Rents | 15,952 | 62,042 |
| 12 | (509) Allowances | | |
| 13 | TOTAL Operation (Enter Total of Lines 4 thru 12) | 22,099,164 | 20,201,761 |
| 14 | Maintenance | | |
| 15 | (510) Maintenance Supervision and Engineering | 324,679 | 215,172 |
| 16 | (511) Maintenance of Structures | 457,588 | 328,872 |
| 17 | (512) Maintenance of Boiler Plant | 3,622,932 | 3,155,081 |
| 18 | (513) Maintenance of Electric Plant | 918,003 | 1,039,473 |
| 19 | (514) Maintenance of Miscellaneous Steam Plant | 645,474 | 419,137 |
| 20 | TOTAL Maintenance (Enter Total of Lines 15 thru 19) | 5,968,676 | 5,157,735 |
| 21 | TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20) | 28,067,840 | 25,359,496 |
| 22 | B. Nuclear Power Generation | | |
| 23 | Operation | | |
| 24 | (517) Operation Supervision and Engineering | | |
| 25 | (518) Fuel | | |
| 26 | (519) Coolants and Water | | |
| 27 | (520) Steam Expenses | | |
| 28 | (521) Steam from Other Sources | | |
| 29 | (Less) (522) Steam Transferred-Cr. | | |
| 30 | (523) Electric Expenses | | |
| 31 | (524) Miscellaneous Nuclear Power Expenses | | |
| 32 | (525) Rents | | |
| 33 | TOTAL Operation (Enter Total of lines 24 thru 32) | | |
| 34 | Maintenance | | |
| 35 | (528) Maintenance Supervision and Engineering | | |
| 36 | (529) Maintenance of Structures | | |
| 37 | (530) Maintenance of Reactor Plant Equipment | | |
| 38 | (531) Maintenance of Electric Plant | | |
| 39 | (532) Maintenance of Miscellaneous Nuclear Plant | | |
| 40 | TOTAL Maintenance (Enter Total of lines 35 thru 39) | | |
| 41 | TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40) | | |
| 42 | C. Hydraulic Power Generation | | |
| 43 | Operation | | |
| 44 | (535) Operation Supervision and Engineering | 1,186,028 | 1,232,213 |
| 45 | (536) Water for Power | 875,283 | 703,155 |
| 46 | (537) Hydraulic Expenses | 2,116,854 | 1,349,496 |
| 47 | (538) Electric Expenses | 3,538,901 | 3,090,333 |
| 48 | (539) Miscellaneous Hydraulic Power Generation Expenses | 543,939 | 472,905 |
| 49 | (540) Rents | 645,415 | 555,722 |
| 50 | TOTAL Operation (Enter Total of Lines 44 thru 49) | 8,906,420 | 7,403,824 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) |
|---|---|---|---|
| 51 | C. Hydraulic Power Generation (Continued) | | |
| 52 | Maintenance | | |
| 53 | (541) Mainentance Supervision and Engineering | 337,450 | 228,252 |
| 54 | (542) Maintenance of Structures | 343,717 | 169,868 |
| 55 | (543) Maintenance of Reservoirs, Dams, and Waterways | 1,118,240 | 735,000 |
| 56 | (544) Maintenance of Electric Plant | 2,165,789 | 1,829,645 |
| 57 | (545) Maintenance of Miscellaneous Hydraulic Plant | 125,567 | 23,460 |
| 58 | TOTAL Maintenance (Enter Total of lines 53 thru 57) | 4,090,763 | 2,986,225 |
| 59 | TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58) | 12,997,183 | 10,390,049 |
| 60 | D. Other Power Generation | | |
| 61 | Operation | | |
| 62 | (546) Operation Supervision and Engineering | 285,602 | 22,354 |
| 63 | (547) Fuel | 18,763,019 | 3,967,063 |
| 64 | (548) Generation Expenses | 522,242 | 28,531 |
| 65 | (549) Miscellaneous Other Power Generation Expenses | 264,491 | 276,750 |
| 66 | (550) Rents | 4,710,748 | 9,399,833 |
| 67 | TOTAL Operation (Enter Total of lines 62 thru 66) | 24,546,102 | 13,694,531 |
| 68 | Maintenance | | |
| 69 | (551) Maintenance Supervision and Engineering | 222,940 | 173,413 |
| 70 | (552) Maintenance of Structures | 57,927 | 40,742 |
| 71 | (553) Maintenance of Generating and Electric Plant | 1,660,608 | 569,648 |
| 72 | (554) Maintenance of Miscellaneous Other Power Generation Plant | 137,168 | 93,323 |
| 73 | TOTAL Maintenance (Enter Total of lines 69 thru 72) | 2,078,643 | 877,126 |
| 74 | TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73) | 26,624,745 | 14,571,657 |
| 75 | E. Other Power Supply Expenses | | |
| 76 | (555) Purchased Power | 148,932,685 | 115,282,088 |
| 77 | (556) System Control and Load Dispatching | 995,177 | 1,004,616 |
| 78 | (557) Other Expenses | 112,065,294 | 109,507,405 |
| 79 | TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78) | 261,993,156 | 225,794,109 |
| 80 | TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79) | 329,682,924 | 276,115,311 |
| 81 | 2. TRANSMISSION EXPENSES | | |
| 82 | Operation | | |
| 83 | (560) Operation Supervision and Engineering | 1,785,068 | 2,054,685 |
| 84 | (561) Load Dispatching | 1,167,554 | 966,064 |
| 85 | (562) Station Expenses | 156,830 | 130,269 |
| 86 | (563) Overhead Lines Expenses | 108,887 | 112,411 |
| 87 | (564) Underground Lines Expenses | | |
| 88 | (565) Transmission of Electricity by Others | 9,079,188 | 8,441,228 |
| 89 | (566) Miscellaneous Transmission Expenses | 426,368 | 301,663 |
| 90 | (567) Rents | 115,042 | 115,440 |
| 91 | TOTAL Operation (Enter Total of lines 83 thru 90) | 12,838,937 | 12,121,760 |
| 92 | Maintenance | | |
| 93 | (568) Maintenance Supervision and Engineering | 254,349 | 138,292 |
| 94 | (569) Maintenance of Structures | 1,744 | 18,435 |
| 95 | (570) Maintenance of Station Equipment | 1,197,871 | 1,187,787 |
| 96 | (571) Maintenance of Overhead Lines | 695,328 | 114,217 |
| 97 | (572) Maintenance of Underground Lines | 1,235 | 8,929 |
| 98 | (573) Maintenance of Miscellaneous Transmission Plant | | 2,882 |
| 99 | TOTAL Maintenance (Enter Total of lines 93 thru 98) | 2,150,527 | 1,470,542 |
| 100 | TOTAL Transmission Expenses (Enter Total of lines 91 and 99) | 14,989,464 | 13,592,302 |
| 101 | 3. DISTRIBUTION EXPENSES | | |
| 102 | Operation | | |
| 103 | (580) Operation Supervision and Engineering | 640,714 | 675,982 |
| | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) |
|---|---|---|---|
| 104 | 3. DISTRIBUTION Expenses (Continued) | | |
| 105 | (581) Load Dispatching | | 1,460 |
| 106 | (582) Station Expenses | 311,926 | 239,401 |
| 107 | (583) Overhead Line Expenses | 1,567,783 | 1,231,203 |
| 108 | (584) Underground Line Expenses | 1,300,982 | 1,312,694 |
| 109 | (585) Street Lighting and Signal System Expenses | 176,492 | 167,527 |
| 110 | (586) Meter Expenses | 1,164,956 | 1,135,102 |
| 111 | (587) Customer Installations Expenses | 320,525 | 274,263 |
| 112 | (588) Miscellaneous Expenses | 3,050,024 | 2,433,201 |
| 113 | (589) Rents | 256,605 | 363,061 |
| 114 | TOTAL Operation (Enter Total of lines 103 thru 113) | 8,790,007 | 7,833,894 |
| 115 | Maintenance | | |
| 116 | (590) Maintenance Supervision and Engineering | 578,690 | 443,722 |
| 117 | (591) Maintenance of Structures | 6,627 | 28,958 |
| 118 | (592) Maintenance of Station Equipment | 622,015 | 937,398 |
| 119 | (593) Maintenance of Overhead Lines | 4,770,736 | 3,338,769 |
| 120 | (594) Maintenance of Underground Lines | 850,600 | 733,271 |
| 121 | (595) Maintenance of Line Transformers | 557,428 | 552,653 |
| 122 | (596) Maintenance of Street Lighting and Signal Systems | 242,798 | 278,844 |
| 123 | (597) Maintenance of Meters | 38,467 | 25,643 |
| 124 | (598) Maintenance of Miscellaneous Distribution Plant | 81,748 | 147,033 |
| 125 | TOTAL Maintenance (Enter Total of lines 116 thru 124) | 7,749,109 | 6,486,291 |
| 126 | TOTAL Distribution Exp (Enter Total of lines 114 and 125) | 16,539,116 | 14,320,185 |
| 127 | 4. CUSTOMER ACCOUNTS EXPENSES | | |
| 128 | Operation | | |
| 129 | (901) Supervision | 76,029 | 113,629 |
| 130 | (902) Meter Reading Expenses | 2,493,943 | 2,320,981 |
| 131 | (903) Customer Records and Collection Expenses | 7,390,852 | 7,186,516 |
| 132 | (904) Uncollectible Accounts | 1,008,501 | 1,644,870 |
| 133 | (905) Miscellaneous Customer Accounts Expenses | 595,009 | 832,003 |
| 134 | TOTAL Customer Accounts Expenses (Total of lines 129 thru 133) | 11,564,334 | 12,097,999 |
| 135 | 5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES | | |
| 136 | Operation | | |
| 137 | (907) Supervision | | |
| 138 | (908) Customer Assistance Expenses | 10,581,231 | 9,985,270 |
| 139 | (909) Informational and Instructional Expenses | 152,553 | 108,098 |
| 140 | (910) Miscellaneous Customer Service and Informational Expenses | 80,270 | 181,542 |
| 141 | TOTAL Cust. Service and Information. Exp. (Total lines 137 thru 140) | 10,814,054 | 10,274,910 |
| 142 | 6. SALES EXPENSES | | |
| 143 | Operation | | |
| 144 | (911) Supervision | 40,633 | 19,824 |
| 145 | (912) Demonstrating and Selling Expenses | 899,670 | 710,061 |
| 146 | (913) Advertising Expenses | 171,242 | 183,047 |
| 147 | (916) Miscellaneous Sales Expenses | 65,817 | 89,905 |
| 148 | TOTAL Sales Expenses (Enter Total of lines 144 thru 147) | 1,177,362 | 1,002,837 |
| 149 | 7. ADMINISTRATIVE AND GENERAL EXPENSES | | |
| 150 | Operation | | |
| 151 | (920) Administrative and General Salaries | 15,309,467 | 13,607,995 |
| 152 | (921) Office Supplies and Expenses | 5,503,451 | 5,494,412 |
| 153 | (Less) (922) Administrative Expenses Transferred-Credit | 22,220 | 27,200 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) |
|---|---|---|---|
| 154 | 7. ADMINISTRATIVE AND GENERAL EXPENSES (Continued) | | |
| 155 | (923) Outside Services Employed | 7,501,442 | 8,529,025 |
| 156 | (924) Property Insurance | 1,175,457 | 846,203 |
| 157 | (925) Injuries and Damages | 2,217,511 | 1,624,746 |
| 158 | (926) Employee Pensions and Benefits | 754,944 | 770,878 |
| 159 | (927) Franchise Requirements | 4,975 | 6,250 |
| 160 | (928) Regulatory Commission Expenses | 3,700,522 | 4,043,080 |
| 161 | (929) (Less) Duplicate Charges-Cr. | | |
| 162 | (930.1) General Advertising Expenses | | 5,683 |
| 163 | (930.2) Miscellaneous General Expenses | 2,595,763 | 2,646,755 |
| 164 | (931) Rents | 5,417,298 | 5,614,878 |
| 165 | TOTAL Operation (Enter Total of lines 151 thru 164) | 44,158,610 | 43,162,705 |
| 166 | Maintenance | | |
| 167 | (935) Maintenance of General Plant | 3,220,646 | 3,010,632 |
| 168 | TOTAL Admin & General Expenses (Total of lines 165 thru 167) | 47,379,256 | 46,173,337 |
| 169 | TOTAL Elec Op and Maint Expn (Tot 80, 100, 126, 134, 141, 148, 168) | 432,146,510 | 373,576,881 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## PURCHASED POWER (Account 555)
### (Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

| Line No. | Name of Company or Public Authority (Footnote Affiliations) (a) | Statistical Classification (b) | FERC Rate Schedule or Tariff Number (c) | Average Monthly Billing Demand (MW) (d) | Actual Demand (MW) Average Monthly NCP Demand (e) | Actual Demand (MW) Average Monthly CP Demand (f) |
|---|---|---|---|---|---|---|
| 1 | American Electric Power | SF | WSPP | | | |
| 2 | Arizona Public Service | SF | WSPP | | | |
| 3 | Benton County PUD No. 1 | SF | WSPP | | | |
| 4 | Black Creek Hydro | LU | FERC #1 | | | |
| 5 | Black Hills Power | SF | WSPP | | | |
| 6 | Bonneville Power Administration | LF | WNP#3 Agr. | | | |
| 7 | Bonneville Power Administration | LF | Sup/Entit Cap. 97 | | | |
| 8 | Bonneville Power Administration | SF | WSPP | | | |
| 9 | Bonneville Power Administration | EX | NWPP | | | |
| 10 | Bonneville Power Administration | OS | NWPP | | | |
| 11 | Bonneville Power Administration | SF | WSPP | | | |
| 12 | BP Energy Company | SF | WSPP | | | |
| 13 | Calpine Corporation | SF | WSPP | | | |
| 14 | Cargill Power Markets, LLC | SF | WSPP | | | |
| | Total | | | | | |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Purchased (g) | POWER EXCHANGES MegaWatt Hours Received (h) | MegaWatt Hours Delivered (i) | COST/SETTLEMENT OF POWER Demand Charges ($) (j) | Energy Charges ($) (k) | Other Charges ($) (l) | Total (j+k+l) of Settlement ($) (m) | Line No. |
|---|---|---|---|---|---|---|---|
| 34,600 | | | | 1,455,160 | | 1,455,160 | 1 |
| 5,760 | | | | 190,560 | | 190,560 | 2 |
| 11,347 | | | | 463,350 | | 463,350 | 3 |
| 6,794 | | | | 231,006 | | 231,006 | 4 |
| 2,255 | | | | 87,210 | | 87,210 | 5 |
| 395,814 | | | | 10,697,582 | | 10,697,582 | 6 |
| | 2,310 | 2,270 | | 5,166 | | 5,166 | 7 |
| | | | 13,562 | | | 13,562 | 8 |
| | 68,915 | 68,840 | | | 20,165 | 20,165 | 9 |
| | | | | | 372,898 | 372,898 | 10 |
| 93,098 | | | | 3,942,091 | | 3,942,091 | 11 |
| 54,648 | | | 12,480 | 2,279,492 | | 2,291,972 | 12 |
| 44,800 | | | | 1,927,100 | | 1,927,100 | 13 |
| 26,683 | | | | 1,075,817 | | 1,075,817 | 14 |
| 4,719,608 | 651,796 | 608,076 | 1,757,667 | 145,731,019 | 1,443,999 | 148,932,685 | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

| Line No. | Name of Company or Public Authority (Footnote Affiliations) (a) | Statistical Classification (b) | FERC Rate Schedule or Tariff Number (c) | Average Monthly Billing Demand (MW) (d) | Actual Demand (MW) Average Monthly NCP Demand (e) | Actual Demand (MW) Average Monthly CP Demand (f) |
|---|---|---|---|---|---|---|
| 1 | Chelan County PUD No. 1 | LU | Rocky Reach | | | |
| 2 | Chelan County PUD No. 1 | SF | WSPP | | | |
| 3 | Clatskanie Peoples PUD | SF | WSPP | | | |
| 4 | Columbia Storage Power Exchange | LF | 97 | | | |
| 5 | Constellation Power Source | SF | WSPP | | | |
| 6 | Douglas County PUD No. 1 | LU | Wells | | | |
| 7 | Douglas County PUD No. 1 | SF | WSPP | | | |
| 8 | Douglas County PUD No. 1 | EX | 297 | 80 | 69 | 68 |
| 9 | El Paso Merchant Energy LP | SF | WSPP | | | |
| 10 | Enmax Energy Marketing, Inc. | SF | WSPP | | | |
| 11 | EPCOR Merchant & Capital US | SF | WSPP | | | |
| 12 | Eugene Water & Electric Board | SF | WSPP | | | |
| 13 | Ford Hydro Limited Partnership | LU | PURPA Agmt | | | |
| 14 | Franklin County PUD No. 1 | SF | WSPP | | | |
| | Total | | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Purchased (g) | POWER EXCHANGES | | COST/SETTLEMENT OF POWER | | | | Line No. |
|---|---|---|---|---|---|---|---|
| | MegaWatt Hours Received (h) | MegaWatt Hours Delivered (i) | Demand Charges ($) (j) | Energy Charges ($) (k) | Other Charges ($) (l) | Total (j+k+l) of Settlement ($) (m) | |
| 148,530 | | | | 2,222,033 | | 2,222,033 | 1 |
| 11,004 | | | | 444,805 | | 444,805 | 2 |
| 2,765 | | | | 101,815 | | 101,815 | 3 |
| 9,492 | | | | | | | 4 |
| 31,112 | | | | 1,471,350 | | 1,471,350 | 5 |
| 115,161 | | | | 1,167,698 | | 1,167,698 | 6 |
| 40,942 | | | | 789,267 | | 789,267 | 7 |
| | 188,065 | 187,988 | 1,727,500 | | | 1,727,500 | 8 |
| 9,600 | | | | 427,200 | | 427,200 | 9 |
| 125 | | | | 8,470 | | 8,470 | 10 |
| 6,016 | | | | 280,193 | | 280,193 | 11 |
| 4,350 | | | | 173,288 | | 173,288 | 12 |
| 3,468 | | | | 213,315 | | 213,315 | 13 |
| 7,895 | | | | 329,260 | | 329,260 | 14 |
| 4,719,608 | 651,796 | 608,076 | 1,757,667 | 145,731,019 | 1,443,999 | 148,932,685 | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

| Line No. | Name of Company or Public Authority (Footnote Affiliations) (a) | Statistical Classification (b) | FERC Rate Schedule or Tariff Number (c) | Average Monthly Billing Demand (MW) (d) | Actual Demand (MW) Average Monthly NCP Demand (e) | Actual Demand (MW) Average Monthly CP Demand (f) |
|---|---|---|---|---|---|---|
| 1 | Grant County PUD No. 2 | LU | Wanapum | | | |
| 2 | Grant County PUD No. 2 | LU | Priest Rapids | | | |
| 3 | Grant County PUD No. 2 | SF | WSPP | | | |
| 4 | Grays Harbor County PUD No. 1 | SF | WSPP | | | |
| 5 | Haleywest LLC | IU | PURPA Agmt | | | |
| 6 | Hydro Technology Systems | LU | PURPA Agmt | | | |
| 7 | IdaCorp Energy LP | SF | WSPP | | | |
| 8 | Inland Power & Light Company | RQ | Mkt Tariff | | | |
| 9 | J Aron and Company | SF | WSPP | | | |
| 10 | Jim White | LU | PURPA Agmt | | | |
| 11 | John Day Hydro | LU | PURPA Agmt | | | |
| 12 | Klamath Falls, City of | SF | WSPP | | | |
| 13 | Minnesota Methane | LU | PURPA Agmt | | | |
| 14 | Mirant Americas Energy Marketing LP | SF | WSPP | | | |
| | Total | | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Purchased (g) | POWER EXCHANGES | | COST/SETTLEMENT OF POWER | | | | Line No. |
|---|---|---|---|---|---|---|---|
| | MegaWatt Hours Received (h) | MegaWatt Hours Delivered (i) | Demand Charges ($) (j) | Energy Charges ($) (k) | Other Charges ($) (l) | Total (j+k+l) of Settlement ($) (m) | |
| 275,042 | | | | 3,139,540 | | 3,139,540 | 1 |
| 235,820 | | | | 1,991,599 | | 1,991,599 | 2 |
| 17,731 | | | | 661,727 | | 661,727 | 3 |
| 11,628 | | | | 483,880 | | 483,880 | 4 |
| 35,049 | | | | 1,506,443 | | 1,506,443 | 5 |
| 8,710 | | | | 255,205 | | 255,205 | 6 |
| 1,500 | | | | 49,015 | | 49,015 | 7 |
| | | | | 3,403 | | 3,403 | 8 |
| 66,800 | | | | 2,851,200 | | 2,851,200 | 9 |
| 1,144 | | | | 95,324 | | 95,324 | 10 |
| 1,963 | | | | 74,647 | | 74,647 | 11 |
| 501 | | | | 25,815 | | 25,815 | 12 |
| 3,523 | | | | 75,383 | | 75,383 | 13 |
| 12,560 | | | | 519,693 | | 519,693 | 14 |
| 4,719,608 | 651,796 | 608,076 | 1,757,667 | 145,731,019 | 1,443,999 | 148,932,685 | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## PURCHASED POWER (Account 555)
### (Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

| Line No. | Name of Company or Public Authority (Footnote Affiliations) (a) | Statistical Classification (b) | FERC Rate Schedule or Tariff Number (c) | Average Monthly Billing Demand (MW) (d) | Actual Demand (MW) Average Monthly NCP Demand (e) | Actual Demand (MW) Average Monthly CP Demand (f) |
|---|---|---|---|---|---|---|
| 1 | Mirant Americas Energy Marketing LP | IF | 294 | | | |
| 2 | Mirant Americas Energy Marketing LP | EX | 294 | | | |
| 3 | Modesto Irrigation District | SF | WSPP | | | |
| 4 | Morgan Stanley Capital Group | SF | WSPP | | | |
| 5 | NorthWestern Energy LLC | SF | WSPP | | | |
| 6 | Okanogan County PUD No. 1 | SF | Okanogan PUD | | | |
| 7 | Pacific Northwest Generating Co-op | SF | WSPP | | | |
| 8 | PacifiCorp | SF | WSPP | | | |
| 9 | PacifiCorp | SF | WSPP | | | |
| 10 | PacifiCorp | EX | 160 | | | |
| 11 | PacifiCorp Power Marketing | SF | WSPP | | | |
| 12 | Pend Oreille County PUD No. 1 | SF | Pend Oreille PUD | | | |
| 13 | Pend Oreille County PUD No. 1 | EX | Generation Imbal | | | |
| 14 | Pend Oreille County PUD No. 1 | EX | NWPP | | | |
| | Total | | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Purchased (g) | POWER EXCHANGES: MegaWatt Hours Received (h) | POWER EXCHANGES: MegaWatt Hours Delivered (i) | COST/SETTLEMENT OF POWER: Demand Charges ($) (j) | COST/SETTLEMENT OF POWER: Energy Charges ($) (k) | COST/SETTLEMENT OF POWER: Other Charges ($) (l) | COST/SETTLEMENT OF POWER: Total (j+k+l) of Settlement ($) (m) | Line No. |
|---|---|---|---|---|---|---|---|
| 231 | | | | 6,670 | | 6,670 | 1 |
| | 1,555 | 968 | | | | | 2 |
| 175 | | | | 5,950 | | 5,950 | 3 |
| 239,574 | | | | 9,801,600 | | 9,801,600 | 4 |
| 51,799 | | | | 1,974,678 | | 1,974,678 | 5 |
| 35,987 | | | | 1,330,807 | | 1,330,807 | 6 |
| 9,650 | | | | 353,570 | | 353,570 | 7 |
| 55,923 | | | | 2,152,241 | | 2,152,241 | 8 |
| | | | 375 | | | 375 | 9 |
| | 28,150 | 27,600 | | | -308,516 | -308,516 | 10 |
| 42,808 | | | | 1,655,365 | | 1,655,365 | 11 |
| 73,922 | | | | 2,614,123 | | 2,614,123 | 12 |
| | 3,543 | 4,012 | | | 21,622 | 21,622 | 13 |
| | 14,060 | 11,523 | | | 85,352 | 85,352 | 14 |
| 4,719,608 | 651,796 | 608,076 | 1,757,667 | 145,731,019 | 1,443,999 | 148,932,685 | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

| Line No. | Name of Company or Public Authority (Footnote Affiliations) (a) | Statistical Classification (b) | FERC Rate Schedule or Tariff Number (c) | Average Monthly Billing Demand (MW) (d) | Actual Demand (MW) Average Monthly NCP Demand (e) | Actual Demand (MW) Average Monthly CP Demand (f) |
|---|---|---|---|---|---|---|
| 1 | Phillips Ranch | LU | PURPA Agmt | | | |
| 2 | Plummer Forest Products | EX | Generation Imbalan | | | |
| 3 | Portland General Electric Company | EX | 304 | | | |
| 4 | Portland General Electric Company | EX | 178 | | | |
| 5 | Portland General Electric Company | SF | WSPP | | | |
| 6 | Potlatch Corporation | LU | PURPA Agmt | | | |
| 7 | Powerex | SF | WSPP | | | |
| 8 | PPL Montana | SF | WSPP | | | |
| 9 | Public Service of Colorado | SF | WSPP | | | |
| 10 | Puget Sound Energy | SF | WSPP | | | |
| 11 | Puget Sound Energy | EX | WSPP | | | |
| 12 | Puget Sound Energy | SF | WSPP | | | |
| 13 | Rainbow Energy Marketing | SF | WSPP | | | |
| 14 | Seattle City Light | SF | WSPP | | | |
| | Total | | | | | |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Purchased (g) | POWER EXCHANGES | | COST/SETTLEMENT OF POWER | | | | Line No. |
|---|---|---|---|---|---|---|---|
| | MegaWatt Hours Received (h) | MegaWatt Hours Delivered (i) | Demand Charges ($) (j) | Energy Charges ($) (k) | Other Charges ($) (l) | Total (j+k+l) of Settlement ($) (m) | |
| 47 | | | | 1,402 | | 1,402 | 1 |
| | | 53 | | | | | 2 |
| | 9,071 | 9,759 | | | | | 3 |
| | 293,105 | 294,905 | | | | | 4 |
| 183,830 | | | | 7,356,811 | | 7,356,811 | 5 |
| 239,428 | | | | 10,344,482 | | 10,344,482 | 6 |
| 62,655 | | | | 2,661,868 | | 2,661,868 | 7 |
| 368,008 | | | | 13,106,430 | | 13,106,430 | 8 |
| 15,116 | | | | 611,506 | | 611,506 | 9 |
| 69,144 | | | | 2,769,805 | | 2,769,805 | 10 |
| | | | | | 334,419 | 334,419 | 11 |
| | | | 1,725 | | | 1,725 | 12 |
| 8,400 | | | | 292,500 | | 292,500 | 13 |
| 13,002 | | | | 494,203 | | 494,203 | 14 |
| 4,719,608 | 651,796 | 608,076 | 1,757,667 | 145,731,019 | 1,443,999 | 148,932,685 | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

| Line No. | Name of Company or Public Authority (Footnote Affiliations) (a) | Statistical Classification (b) | FERC Rate Schedule or Tariff Number (c) | Average Monthly Billing Demand (MW) (d) | Actual Demand (MW) Average Monthly NCP Demand (e) | Actual Demand (MW) Average Monthly CP Demand (f) |
|---|---|---|---|---|---|---|
| 1 | Seattle City Light | SF | WSPP | | | |
| 2 | Sempra Energy Trading | SF | WSPP | | | |
| 3 | Sheep Creek Hydro | LU | PURPA Agmt | | | |
| 4 | Sierra Pacific Power Company | SF | WSPP | | | |
| 5 | Snohomish County PUD No. 1 | SF | WSPP | | | |
| 6 | Sovereign Power | IF | Sovereign | | | |
| 7 | Spokane, City of - Upriver Project | LU | PURPA Agmt | | | |
| 8 | Tacoma Power | SF | WSPP | | | |
| 9 | Tacoma Power | SF | WSPP | | | |
| 10 | TransAlta Energy Marketing | SF | WSPP | | | |
| 11 | TransAlta Energy Marketing | IF | WSPP | | | |
| 12 | TransCanada Power LP | SF | WSPP | | | |
| 13 | Turlock Irrigation District | SF | WSPP | | | |
| 14 | Williams Energy Services Company | SF | WSPP | | | |
| | Total | | | | | |

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Purchased (g) | POWER EXCHANGES | | COST/SETTLEMENT OF POWER | | | | Line No. |
|---|---|---|---|---|---|---|---|
| | MegaWatt Hours Received (h) | MegaWatt Hours Delivered (i) | Demand Charges ($) (j) | Energy Charges ($) (k) | Other Charges ($) (l) | Total (j+k+l) of Settlement ($) (m) | |
| | | | 200 | | | 200 | 1 |
| 40,800 | | | | 2,046,700 | | 2,046,700 | 2 |
| 6,580 | | | | 482,651 | | 482,651 | 3 |
| 2 | | | | 64 | | 64 | 4 |
| 2,800 | | | | 95,350 | | 95,350 | 5 |
| 10,454 | | | | 377,160 | | 377,160 | 6 |
| 66,172 | | | | 1,722,977 | | 1,722,977 | 7 |
| 26,993 | | | | 1,056,533 | | 1,056,533 | 8 |
| | | | 1,825 | | | 1,825 | 9 |
| 48,710 | | | | 2,021,638 | | 2,021,638 | 10 |
| 1,285,281 | | | | 37,787,261 | 478,158 | 38,265,419 | 11 |
| 11 | | | | 242 | | 242 | 12 |
| 300 | | | | 5,650 | | 5,650 | 13 |
| 23,576 | | | | 884,680 | | 884,680 | 14 |
| 4,719,608 | 651,796 | 608,076 | 1,757,667 | 145,731,019 | 1,443,999 | 148,932,685 | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

| Line No. | Name of Company or Public Authority (Footnote Affiliations) (a) | Statistical Classification (b) | FERC Rate Schedule or Tariff Number (c) | Average Monthly Billing Demand (MW) (d) | Actual Demand (MW) Average Monthly NCP Demand (e) | Actual Demand (MW) Average Monthly CP Demand (f) |
|---|---|---|---|---|---|---|
| 1 | Wood Power Incorporated | LU | PURPA Agmt | | | |
| 2 | IntraCompany Generation | LF | | | | |
| 3 | IntraCompany Transfers | SF | | | | |
| 4 | Other - Inadvertent Interchange | EX | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | | | | | | |
| 14 | | | | | | |
| | Total | | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Purchased (g) | POWER EXCHANGES | | COST/SETTLEMENT OF POWER | | | | Line No. |
|---|---|---|---|---|---|---|---|
| | MegaWatt Hours Received (h) | MegaWatt Hours Delivered (i) | Demand Charges ($) (j) | Energy Charges ($) (k) | Other Charges ($) (l) | Total (j+k+l) of Settlement ($) (m) | |
| | | | | | 391,992 | 391,992 | 1 |
| | | | | | 47,909 | 47,909 | 2 |
| | 43,022 | | | | | | 3 |
| | | 158 | | | | | 4 |
| | | | | | | | 5 |
| | | | | | | | 6 |
| | | | | | | | 7 |
| | | | | | | | 8 |
| | | | | | | | 9 |
| | | | | | | | 10 |
| | | | | | | | 11 |
| | | | | | | | 12 |
| | | | | | | | 13 |
| | | | | | | | 14 |
| 4,719,608 | 651,796 | 608,076 | 1,757,667 | 145,731,019 | 1,443,999 | 148,932,685 | |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report (Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i. e., wheeling, provided for other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column(d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows:
LF - for Long-term firm transmission service. "Long-term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.
SF - for short-term firm transmission service. Use this category for all firm services, where the duration of each period of commitment for service is less than one year.

| Line No. | Payment By (Company of Public Authority) (Footnote Affiliation) (a) | Energy Received From (Company of Public Authority) (Footnote Affiliation) (b) | Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c) | Statistical Classification (d) |
|---|---|---|---|---|
| 1 | Avista Energy | Northwestern Energy | Chelan PUD | OS |
| 2 | Avista Energy | Bonneville Power Administration | Chelan PUD | OS |
| 3 | Avista Energy | Northwestern Energy | Bonneville Power Administration | OS |
| 4 | Avista Energy | Chelan PUD | Idaho Power Company | OS |
| 5 | Avista Energy | Chelan PUD | Northwestern Energy | OS |
| 6 | Avista Energy | Avista Corp | Chelan PUD | OS |
| 7 | Avista Energy | Avista Corp | Chelan PUD | OS |
| 8 | Bonneville Power Administration | Bonneville Power Administration | Bonneville Power Administration | LF |
| 9 | Bonneville Power Administration | Bonneville Power Administration | Idaho Power Company | OS |
| 10 | Bonneville Power Administration | Bonneville Power Administration | Idaho Power Company | SF |
| 11 | Cargill Power Mkt | Northwestern Energy | Bonneville Power Administration | OS |
| 12 | Cargill Power Mkt | Northwestern Energy | Pacificorp | OS |
| 13 | Cargill Power Mkt | Northwestern Energy | Portland General Electric | OS |
| 14 | Cargill Power Mkt | Bonneville Power Administration | Idaho Power Company | OS |
| 15 | Cargill Power Mkt | Northwestern Energy | Puget Sound Energy | OS |
| 16 | Consolidated Irrigation | Bonneville Power Administration | Consolidated Irrigation | LF |
| 17 | Eugene Water Electric | Northwestern Energy | Bonneville Power Administration | OS |
| | **TOTAL** | | | |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions reffered to as 'wheeling')

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all nonfirm service regardless of the length of the contract and service from, designated units of less than one year. Describe the nature of the service in a footnote for each adjustment.
AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.

| FERC Rate Schedule of Tariff Number (e) | Point of Receipt (Subsatation or Other Designation) (f) | Point of Delivery (Substation or Other Designation) (g) | Billing Demand (MW) (h) | TRANSFER OF ENERGY MegaWatt Hours Received (i) | TRANSFER OF ENERGY MegaWatt Hours Delivered (j) | Line No. |
|---|---|---|---|---|---|---|
| FERC Elc Trf, | | | | 5,570 | 5,570 | 1 |
| FERC Elc Trf, | | | | 3,199 | 3,199 | 2 |
| FERC Elc Trf, | | | | 50 | 50 | 3 |
| FERC Elc Trf, | | | | 100 | 100 | 4 |
| FERC Elc Trf, | | | | 20 | 20 | 5 |
| FERC Elc Trf, | | | | 3,359 | 3,359 | 6 |
| FERC Elc Trf, | | | | | | 7 |
| FERC No. | Various | Various | | 1,610,508 | 1,610,508 | 8 |
| FERC Elc Trf, | | | | 1,087 | 1,087 | 9 |
| FERC Elc Trf, | | | | 3,600 | 3,600 | 10 |
| FERC Elc Trf, | | | | 4,024 | 4,024 | 11 |
| FERC Elc Trf, | | | | 536 | 536 | 12 |
| FERC Elc Trf, | | | | 800 | 800 | 13 |
| FERC Elc Trf, | | | | 3,552 | 3,552 | 14 |
| FERC Elc Trf, | | | | 164 | 164 | 15 |
| FERC Elc Trf, | Bell Substation | Consolidated | 23 | 6,622 | 6,622 | 16 |
| FERC Elc Trf, | | | | 25 | 25 | 17 |
| | | | **216** | **4,040,560** | **4,040,560** | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions reffered to as 'wheeling')

8. Report in column (i) and (j) the total megawatthours received and delivered.
9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. Provide total amounts in column (i) through (n) as the last Line. Enter "TOTAL" in column (a) as the Last Line. The total amounts in columns (i) and (j) must be reported as Transmission Received and Delivered on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

| Demand Charges ($) (k) | Energy Charges ($) (l) | (Other Charges) ($) (m) | Total Revenues ($) (k+l+m) (n) | Line No. |
|---|---|---|---|---|
| 11,540 | | | 11,540 | 1 |
| 6,512 | | | 6,512 | 2 |
| 101 | | | 101 | 3 |
| 200 | | | 200 | 4 |
| 40 | | | 40 | 5 |
| 9,203 | | | 9,203 | 6 |
| | | 4,023 | 4,023 | 7 |
| 6,814,010 | | | 6,814,010 | 8 |
| 2,752 | | | 2,752 | 9 |
| 9,690 | | | 9,690 | 10 |
| 9,139 | | | 9,139 | 11 |
| 1,132 | | | 1,132 | 12 |
| 1,600 | | | 1,600 | 13 |
| 7,104 | | | 7,104 | 14 |
| 377 | | | 377 | 15 |
| 32,582 | | 57,376 | 89,958 | 16 |
| 50 | | | 50 | 17 |
| **11,177,097** | **26,100** | **124,914** | **11,328,111** | |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

## TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i. e., wheeling, provided for other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column(d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows:
LF - for Long-term firm transmission service. "Long-term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.
SF - for short-term firm transmission service. Use this category for all firm services, where the duration of each period of commitment for service is less than one year.

| Line No. | Payment By (Company of Public Authority) (Footnote Affiliation) (a) | Energy Received From (Company of Public Authority) (Footnote Affiliation) (b) | Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c) | Statistical Classification (d) |
|---|---|---|---|---|
| 1 | Grant County Public Utility District | Grant County Public Utility Dist | Grant County Public Utility Dist | LF |
| 2 | Idaho Power Company | Portland General Electric | Idaho Power Company | OS |
| 3 | Idaho Power Company | Puget Sound Energy | Idaho Power Company | OS |
| 4 | Idaho Power Company | Grant County PUD | Idaho Power Company | OS |
| 5 | Idaho Power Company | Pacificorp | Idaho Power Company | OS |
| 6 | Idaho Power Company | Idaho Power Company | Bonneville Power Administration | OS |
| 7 | Idaho Power Company | Idaho Power Company | Puget Sound Energy | OS |
| 8 | Idaho Power Company | Idaho Power Company | Pacificorp | OS |
| 9 | Idaho Power Company | Idaho Power Company | Portland General Electric | OS |
| 10 | Idaho Power Company | Bonneville Power Administration | Idaho Power Company | OS |
| 11 | Idaho Power Company | Douglas PUD | Idaho Power Company | OS |
| 12 | Idaho Power Company | Chelan PUD | Idaho Power Company | OS |
| 13 | Idaho Power Company | Tacoma | Idaho Power Company | OS |
| 14 | Idaho Power Company | Seattle City Light | Idaho Power Company | OS |
| 15 | Idaho Power Company | Idaho Power Company | Grant PUD | OS |
| 16 | Idaho Power Company | Bonneville Power Administration | Idaho Power Company | SF |
| 17 | Morgan Stanley Capital Group | Northwestern Energy | Portland General Electric | OS |
| | **TOTAL** | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions reffered to as 'wheeling')

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all nonfirm service regardless of the length of the contract and service from, designated units of less than one year. Describe the nature of the service in a footnote for each adjustment.
AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.

| FERC Rate Schedule of Tariff Number (e) | Point of Receipt (Subsatation or Other Designation) (f) | Point of Delivery (Substation or Other Designation) (g) | Billing Demand (MW) (h) | TRANSFER OF ENERGY | | Line No. |
|---|---|---|---|---|---|---|
| | | | | MegaWatt Hours Received (i) | MegaWatt Hours Delivered (j) | |
| FERC No. | Larson Substation | Round Lk Coulee City | 25 | 98,743 | 98,743 | 1 |
| FERC Elc Trf, | | | | 32,009 | 32,009 | 2 |
| FERC Elc Trf, | | | | 15,831 | 15,831 | 3 |
| FERC Elc Trf, | | | | 22,295 | 22,295 | 4 |
| FERC Elc Trf, | | | | 11,182 | 11,182 | 5 |
| FERC Elc Trf, | | | | 3,520 | 3,520 | 6 |
| FERC Elc Trf, | | | | 1,200 | 1,200 | 7 |
| FERC Elc Trf, | | | | 1,200 | 1,200 | 8 |
| FERC Elc Trf, | | | | 185 | 185 | 9 |
| FERC Elc Trf, | | | | 231,467 | 231,467 | 10 |
| FERC Elc Trf, | | | | 13,655 | 13,655 | 11 |
| FERC Elc Trf, | | | | 53,544 | 53,544 | 12 |
| FERC Elc Trf, | | | | 280 | 280 | 13 |
| FERC Elc Trf, | | | | 30,229 | 30,229 | 14 |
| FERC Elc Trf, | | | | 450 | 450 | 15 |
| FERC Elc Trf, | | | | 73,200 | 73,200 | 16 |
| FERC Elc Trf, | | | | 7,762 | 7,762 | 17 |
| | | | **216** | **4,040,560** | **4,040,560** | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions reffered to as 'wheeling')

8. Report in column (i) and (j) the total megawatthours received and delivered.
9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. Provide total amounts in column (i) through (n) as the last Line. Enter "TOTAL" in column (a) as the Last Line. The total amounts in columns (i) and (j) must be reported as Transmission Received and Delivered on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

| Demand Charges ($) (k) | Energy Charges ($) (l) | (Other Charges) ($) (m) | Total Revenues ($) (k+l+m) (n) | Line No. |
|---|---|---|---|---|
| 31,434 | | | 31,434 | 1 |
| 68,268 | | | 68,268 | 2 |
| 33,017 | | | 33,017 | 3 |
| 46,336 | | | 46,336 | 4 |
| 23,397 | | | 23,397 | 5 |
| 7,590 | | | 7,590 | 6 |
| 2,616 | | | 2,616 | 7 |
| 2,472 | | | 2,472 | 8 |
| 391 | | | 391 | 9 |
| 486,745 | | | 486,745 | 10 |
| 29,144 | | | 29,144 | 11 |
| 113,687 | | | 113,687 | 12 |
| 561 | | | 561 | 13 |
| 64,548 | | | 64,548 | 14 |
| 900 | | | 900 | 15 |
| 140,000 | | | 140,000 | 16 |
| 15,803 | | | 15,803 | 17 |
| **11,177,097** | **26,100** | **124,914** | **11,328,111** | |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

## TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i. e., wheeling, provided for other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column(d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows:
LF - for Long-term firm transmission service. "Long-term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.
SF - for short-term firm transmission service. Use this category for all firm services, where the duration of each period of commitment for service is less than one year.

| Line No. | Payment By (Company of Public Authority) (Footnote Affiliation) (a) | Energy Received From (Company of Public Authority) (Footnote Affiliation) (b) | Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c) | Statistical Classification (d) |
|---|---|---|---|---|
| 1 | Morgan Stanley Capital Group | Puget Sound Energy | Idaho Power Company | OS |
| 2 | Morgan Stanley Capital Group | Bonneville Power Administration | Idaho Power Company | OS |
| 3 | Morgan Stanley Capital Group | Northwestern Energy | Chelan PUD | OS |
| 4 | Morgan Stanley Capital Group | Portland General Electric | Idaho Power Company | OS |
| 5 | Morgan Stanley Capital Group | Grant PUD | Idaho Power Company | OS |
| 6 | Morgan Stanley Capital Group | Northwestern Energy | Idaho Power Company | OS |
| 7 | Morgan Stanley Capital Group | Northwestern Energy | Puget Sound Energy | OS |
| 8 | Morgan Stanley Capital Group | Northwestern Energy | Pacificorp | OS |
| 9 | Morgan Stanley Capital Group | Northwestern Energy | Bonneville Power Administration | OS |
| 10 | Morgan Stanley Capital Group | Chelan PUD | Idaho Power Company | OS |
| 11 | Northwestern Energy | Northwestern Energy | Bonneville Power Adminstration | OS |
| 12 | Northwestern Energy | Northwestern Energy | Portland General Electric | OS |
| 13 | Northwestern Energy | Northwestern Energy | Chelan PUD | OS |
| 14 | Northwestern Energy | Northwestern Energy | Puget Sound Energy | OS |
| 15 | PacifiCorp | PacifiCorp | PacifiCorp | LF |
| 16 | PacifiCorp | Northwestern Energy | PacifiCorp | OS |
| 17 | PacifiCorp | PacifiCorp | Northwestern Energy | OS |
| | **TOTAL** | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions reffered to as 'wheeling')

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all nonfirm service regardless of the length of the contract and service from, designated units of less than one year. Describe the nature of the service in a footnote for each adjustment.
AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.

| FERC Rate Schedule of Tariff Number (e) | Point of Receipt (Subsatation or Other Designation) (f) | Point of Delivery (Substation or Other Designation) (g) | Billing Demand (MW) (h) | TRANSFER OF ENERGY MegaWatt Hours Received (i) | TRANSFER OF ENERGY MegaWatt Hours Delivered (j) | Line No. |
|---|---|---|---|---|---|---|
| FERC Elc Trf, | | | | 80 | 80 | 1 |
| FERC Elc Trf, | | | | 5,220 | 5,220 | 2 |
| FERC Elc Trf, | | | | 400 | 400 | 3 |
| FERC Elc Trf, | | | | 400 | 400 | 4 |
| FERC Elc Trf, | | | | 972 | 972 | 5 |
| FERC Elc Trf, | | | | 144 | 144 | 6 |
| FERC Elc Trf, | | | | 8,256 | 8,256 | 7 |
| FERC Elc Trf, | | | | 5,869 | 5,869 | 8 |
| FERC Elc Trf, | | | | 22,952 | 22,952 | 9 |
| FERC Elc Trf, | | | | 498 | 498 | 10 |
| FERC Elc Trf, | | | | 2,511 | 2,511 | 11 |
| FERC Elc Trf, | | | | 150 | 150 | 12 |
| FERC Elc Trf, | | | | 441 | 441 | 13 |
| FERC Elc Trf, | | | | 520 | 520 | 14 |
| FERC No. 182 | Lolo-Walla Walla | Dry Gulch 115/60 KV | 20 | 71,249 | 71,249 | 15 |
| FERC Elc Trf, | | | | 60,124 | 60,124 | 16 |
| FERC Elc Trf, | | | | 10,317 | 10,317 | 17 |
| | | | **216** | **4,040,560** | **4,040,560** | |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions reffered to as 'wheeling')

8. Report in column (i) and (j) the total megawatthours received and delivered.
9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. Provide total amounts in column (i) through (n) as the last Line. Enter "TOTAL" in column (a) as the Last Line. The total amounts in columns (i) and (j) must be reported as Transmission Received and Delivered on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

| REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS | | | | |
|---|---|---|---|---|
| Demand Charges<br>($)<br>(k) | Energy Charges<br>($)<br>(l) | (Other Charges)<br>($)<br>(m) | Total Revenues ($)<br>(k+l+m)<br>(n) | Line No. |
| 163 | | | 163 | 1 |
| 12,024 | | | 12,024 | 2 |
| 815 | | | 815 | 3 |
| 1,663 | | | 1,663 | 4 |
| 2,036 | | | 2,036 | 5 |
| 325 | | | 325 | 6 |
| 16,869 | | | 16,869 | 7 |
| 11,805 | | | 11,805 | 8 |
| 47,074 | | | 47,074 | 9 |
| 1,096 | | | 1,096 | 10 |
| 5,111 | | | 5,111 | 11 |
| 321 | | | 321 | 12 |
| 735 | | | 735 | 13 |
| 1,105 | | | 1,105 | 14 |
| 295,926 | | | 295,926 | 15 |
| 131,651 | | | 131,651 | 16 |
| 22,135 | | | 22,135 | 17 |
| **11,177,097** | **26,100** | **124,914** | **11,328,111** | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i. e., wheeling, provided for other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column(d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows:
LF - for Long-term firm transmission service. "Long-term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.
SF - for short-term firm transmission service. Use this category for all firm services, where the duration of each period of commitment for service is less than one year.

| Line No. | Payment By (Company of Public Authority) (Footnote Affiliation) (a) | Energy Received From (Company of Public Authority) (Footnote Affiliation) (b) | Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c) | Statistical Classification (d) |
|---|---|---|---|---|
| 1 | Pacific Power Mkt | Northwestern Energy | Bonneville Power Adminstration | OS |
| 2 | PPL Montana | Grant County PUD | Idaho Power Company | OS |
| 3 | PPL Montana | Northwestern Energy | PacifiCorp | OS |
| 4 | PPL Montana | Northwestern Energy | Portland General Electric | OS |
| 5 | PPL Montana | Northwestern Energy | Chelan PUD | OS |
| 6 | PPL Montana | Northwestern Energy | Grant County PUD | OS |
| 7 | PPL Montana | PacifiCorp | Northwestern Energy | OS |
| 8 | PPL Montana | Northwestern Energy | Idaho Power Company | OS |
| 9 | PPL Montana | Northwestern Energy | Puget Sound Energy | OS |
| 10 | PPL Montana | Northwestern Energy | Bonneville Power Adminstration | OS |
| 11 | PPL Montana | Grant County PUD | Northwestern Energy | OS |
| 12 | PPL Montana | Northwestern Energy | Chelan PUD | SF |
| 13 | PPL Montana | Northwestern Energy | PacifiCorp | SF |
| 14 | PPL Montana | Northwestern Energy | Portland General Electric | SF |
| 15 | PPL Montana | Northwestern Energy | Puget Sound Energy | SF |
| 16 | Portland General Electric | Northwestern Energy | Portland General Electric | OS |
| 17 | Portland General Electric | Idaho Power Company | Portland General Electric | OS |
| | **TOTAL** | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions reffered to as 'wheeling')

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all nonfirm service regardless of the length of the contract and service from, designated units of less than one year. Describe the nature of the service in a footnote for each adjustment.
AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.

| FERC Rate Schedule of Tariff Number (e) | Point of Receipt (Subsatation or Other Designation) (f) | Point of Delivery (Substation or Other Designation) (g) | Billing Demand (MW) (h) | TRANSFER OF ENERGY MegaWatt Hours Received (i) | TRANSFER OF ENERGY MegaWatt Hours Delivered (j) | Line No. |
|---|---|---|---|---|---|---|
| FERC Elc Trf, | | | | 1,080 | 1,080 | 1 |
| FERC Elc Trf, | | | | 140 | 140 | 2 |
| FERC Elc Trf, | | | | 29,123 | 29,123 | 3 |
| FERC Elc Trf, | | | | 63,695 | 63,695 | 4 |
| FERC Elc Trf, | | | | 7,706 | 7,706 | 5 |
| FERC Elc Trf, | | | | 3,575 | 3,575 | 6 |
| FERC Elc Trf, | | | | 50 | 50 | 7 |
| FERC Elc Trf, | | | | 24,611 | 24,611 | 8 |
| FERC Elc Trf, | | | | 32,118 | 32,118 | 9 |
| FERC Elc Trf, | | | | 78,999 | 78,999 | 10 |
| FERC Elc Trf, | | | | 315 | 315 | 11 |
| FERC Elc Trf, | | | | 312 | 312 | 12 |
| FERC Elc Trf, | | | | 50 | 50 | 13 |
| FERC Elc Trf, | | | | 11,072 | 11,072 | 14 |
| FERC Elc Trf, | | | | 733 | 733 | 15 |
| FERC Elc Trf, | | | | 984 | 984 | 16 |
| FERC Elc Trf, | | | | 42 | 42 | 17 |
| | | | **216** | **4,040,560** | **4,040,560** | |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions reffered to as 'wheeling')

8. Report in column (i) and (j) the total megawatthours received and delivered.
9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. Provide total amounts in column (i) through (n) as the last Line. Enter "TOTAL" in column (a) as the Last Line. The total amounts in columns (i) and (j) must be reported as Transmission Received and Delivered on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

| Demand Charges ($) (k) | Energy Charges ($) (l) | (Other Charges) ($) (m) | Total Revenues ($) (k+l+m) (n) | Line No. |
|---|---|---|---|---|
| 2,160 | | | 2,160 | 1 |
| 280 | | | 280 | 2 |
| 58,263 | | | 58,263 | 3 |
| 127,065 | | | 127,065 | 4 |
| 15,346 | | | 15,346 | 5 |
| 7,205 | | | 7,205 | 6 |
| 101 | | | 101 | 7 |
| 49,341 | | | 49,341 | 8 |
| 64,004 | | | 64,004 | 9 |
| 159,441 | | | 159,441 | 10 |
| 631 | | | 631 | 11 |
| 850 | | | 850 | 12 |
| 136 | | | 136 | 13 |
| 30,168 | | | 30,168 | 14 |
| 1,997 | | | 1,997 | 15 |
| 1,980 | | | 1,980 | 16 |
| 86 | | | 86 | 17 |
| **11,177,097** | **26,100** | **124,914** | **11,328,111** | |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

## TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i. e., wheeling, provided for other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column(d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows:
LF - for Long-term firm transmission service. "Long-term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.
SF - for short-term firm transmission service. Use this category for all firm services, where the duration of each period of commitment for service is less than one year.

| Line No. | Payment By (Company of Public Authority) (Footnote Affiliation) (a) | Energy Received From (Company of Public Authority) (Footnote Affiliation) (b) | Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c) | Statistical Classification (d) |
|---|---|---|---|---|
| 1 | Powerex | Northwestern Energy | Bonneville Power Administration | OS |
| 2 | Powerex | Idaho Power Company | Bonneville Power Administration | OS |
| 3 | Powerex | Bonneville Power Administration | Idaho Power Company | OS |
| 4 | Puget Sound Energy | Northwestern Energy | Puget Sound Energy | OS |
| 5 | Rainbow Energy Mkt | Grant PUD | Northwestern Energy | OS |
| 6 | Rainbow Energy Mkt | Northwestern Energy | Grant PUD | OS |
| 7 | Seattle City Light | Bonneville Power Administration | Bonneville Power Administration | SF |
| 8 | Seattle City Light | Seattle City Light | Seattle City Light | LF |
| 9 | Sierra Pacific Power | Bonneville Power Administration | Idaho Power Company | OS |
| 10 | Sierra Pacific Power | Douglas PUD | Idaho Power Company | OS |
| 11 | Sierra Pacific Power | Chelan PUD | Idaho Power Company | OS |
| 12 | Sierra Pacific Power | Grant PUD | Idaho Power Company | OS |
| 13 | Sierra Pacific Power | Portland General Electric | Idaho Power Company | OS |
| 14 | Sierra Pacific Power | Seattle City Light | Idaho Power Company | OS |
| 15 | Sierra Pacific Power | Tacoma Power | Idaho Power Company | OS |
| 16 | Sierra Pacific Power | Northwestern Energy | Idaho Power Company | OS |
| 17 | Sierra Pacific Power | Pacificorp | Idaho Power Company | OS |
| | **TOTAL** | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions reffered to as 'wheeling')

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all nonfirm service regardless of the length of the contract and service from, designated units of less than one year. Describe the nature of the service in a footnote for each adjustment.
AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.

| FERC Rate Schedule of Tariff Number (e) | Point of Receipt (Subsatation or Other Designation) (f) | Point of Delivery (Substation or Other Designation) (g) | Billing Demand (MW) (h) | TRANSFER OF ENERGY MegaWatt Hours Received (i) | TRANSFER OF ENERGY MegaWatt Hours Delivered (j) | Line No. |
|---|---|---|---|---|---|---|
| FERC Elc Trf, | | | | 35,844 | 35,844 | 1 |
| FERC Elc Trf, | | | | 100 | 100 | 2 |
| FERC Elc Trf, | | | | 3,599 | 3,599 | 3 |
| FERC Elc Trf, | | | | 6,852 | 6,852 | 4 |
| FERC Elc Trf, | | | | 443 | 443 | 5 |
| FERC Elc Trf, | | | | 400 | 400 | 6 |
| FERC Elc Trf, | | | | 590 | 590 | 7 |
| FERC No. | Main Canal/SmmrFalls | Bell Substation | 58 | 219,080 | 219,080 | 8 |
| FERC Elc Trf, | | | | 335,464 | 335,464 | 9 |
| FERC Elc Trf, | | | | 8,000 | 8,000 | 10 |
| FERC Elc Trf, | | | | 180,297 | 180,297 | 11 |
| FERC Elc Trf, | | | | 31,858 | 31,858 | 12 |
| FERC Elc Trf, | | | | 15,224 | 15,224 | 13 |
| FERC Elc Trf, | | | | 19,397 | 19,397 | 14 |
| FERC Elc Trf, | | | | 10,896 | 10,896 | 15 |
| FERC Elc Trf, | | | | 5,246 | 5,246 | 16 |
| FERC Elc Trf, | | | | 17,850 | 17,850 | 17 |
| | | | **216** | **4,040,560** | **4,040,560** | |

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions reffered to as 'wheeling')

8. Report in column (i) and (j) the total megawatthours received and delivered.
9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. Provide total amounts in column (i) through (n) as the last Line. Enter "TOTAL" in column (a) as the Last Line. The total amounts in columns (i) and (j) must be reported as Transmission Received and Delivered on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

| Demand Charges ($) (k) | Energy Charges ($) (l) | (Other Charges) ($) (m) | Total Revenues ($) (k+l+m) (n) | Line No. |
|---|---|---|---|---|
| 76,776 | | | 76,776 | 1 |
| 223 | | | 223 | 2 |
| 8,578 | | | 8,578 | 3 |
| 14,714 | | | 14,714 | 4 |
| 946 | | | 946 | 5 |
| 800 | | | 800 | 6 |
| 3,811 | | 54 | 3,865 | 7 |
| 102,780 | | | 102,780 | 8 |
| 758,355 | | | 758,355 | 9 |
| 16,192 | | | 16,192 | 10 |
| 399,876 | | | 399,876 | 11 |
| 71,576 | | | 71,576 | 12 |
| 33,975 | | | 33,975 | 13 |
| 46,457 | | | 46,457 | 14 |
| 25,383 | | | 25,383 | 15 |
| 12,208 | | | 12,208 | 16 |
| 39,714 | | | 39,714 | 17 |
| **11,177,097** | **26,100** | **124,914** | **11,328,111** | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i. e., wheeling, provided for other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column(d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows:
LF - for Long-term firm transmission service. "Long-term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.
SF - for short-term firm transmission service. Use this category for all firm services, where the duration of each period of commitment for service is less than one year.

| Line No. | Payment By (Company of Public Authority) (Footnote Affiliation) (a) | Energy Received From (Company of Public Authority) (Footnote Affiliation) (b) | Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c) | Statistical Classification (d) |
|---|---|---|---|---|
| 1 | Sierra Pacific Power | Puget Sound Energy | Idaho Power Company | OS |
| 2 | City of Spokane | City of Spokane | Puget Sound Energy | LF |
| 3 | Spokane Tribe of Indians | Bonneville Power Administration | Spokane Indian Tribes | LF |
| 4 | Tacoma City Light | Tacoma City Light | Tacoma City Light | LF |
| 5 | US Bureau of Reclamation | Bonneville Power Administration | East Greenacres | LF |
| 6 | Xcel Energy | Northwestern Energy | Bonneville Power Administration | OS |
| 7 | Xcel Energy | Northwestern Energy | Idaho Power Company | OS |
| 8 | Xcel Energy | Northwestern Energy | Pacificorp | OS |
| 9 | Xcel Energy | Northwestern Energy | Portland General Electric | OS |
| 10 | Xcel Energy | Northwestern Energy | Puget Sound Energy | OS |
| 11 | Xcel Energy | Northwestern Energy | Grant County PUD | OS |
| 12 | Xcel Energy | Bonneville Power Administration | Northwestern Energy | OS |
| 13 | Vaagen Brothers Lumber Company | Vaagen Brothers Lumber Company | Idaho Power Company | LF |
| 14 | Various | Various | Various | OS |
| 15 | | | | |
| 16 | | | | |
| 17 | | | | |
| | **TOTAL** | | | |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions reffered to as 'wheeling')

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all nonfirm service regardless of the length of the contract and service from, designated units of less than one year. Describe the nature of the service in a footnote for each adjustment.
AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.

| FERC Rate Schedule of Tariff Number (e) | Point of Receipt (Subsatation or Other Designation) (f) | Point of Delivery (Substation or Other Designation) (g) | Billing Demand (MW) (h) | TRANSFER OF ENERGY | | Line No. |
|---|---|---|---|---|---|---|
| | | | | MegaWatt Hours Received (i) | MegaWatt Hours Delivered (j) | |
| FERC Elc Trf, | | | | 25,432 | 25,432 | 1 |
| FERC No. | Sunset Trans. Line | Westside Substation | 23 | 125,698 | 125,698 | 2 |
| FERC No. | Westside Substation | Little Falls Substa. | 2 | 3,065 | 3,065 | 3 |
| FERC No. | Main Canal/SmmrFalls | Bell Substation | 58 | 219,080 | 219,080 | 4 |
| FERC No. 90.2 | Bell Substation | E Greenacres Irr | 3 | 4,026 | 4,026 | 5 |
| FERC Elc Trf, | | | | 30,212 | 30,212 | 6 |
| FERC Elc Trf, | | | | 2,401 | 2,401 | 7 |
| FERC Elc Trf, | | | | 6,052 | 6,052 | 8 |
| FERC Elc Trf, | | | | 16,752 | 16,752 | 9 |
| FERC Elc Trf, | | | | 4,926 | 4,926 | 10 |
| FERC Elc Trf, | | | | 200 | 200 | 11 |
| FERC Elc Trf, | | | | 800 | 800 | 12 |
| FERC No. | Colville Substation | LoLo-Oxbow 230kv | 4 | 26,100 | 26,100 | 13 |
| FERC Elc Trf, | | | | | | 14 |
| | | | | | | 15 |
| | | | | | | 16 |
| | | | | | | 17 |
| | | | **216** | **4,040,560** | **4,040,560** | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions reffered to as 'wheeling')

8. Report in column (i) and (j) the total megawatthours received and delivered.
9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. Provide total amounts in column (i) through (n) as the last Line. Enter "TOTAL" in column (a) as the Last Line. The total amounts in columns (i) and (j) must be reported as Transmission Received and Delivered on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

| Demand Charges ($) (k) | Energy Charges ($) (l) | (Other Charges) ($) (m) | Total Revenues ($) (k+l+m) (n) | Line No. |
|---|---|---|---|---|
| 53,980 | | | 53,980 | 1 |
| 127,506 | | 32,088 | 159,594 | 2 |
| 22,995 | | | 22,995 | 3 |
| 102,780 | | | 102,780 | 4 |
| 21,078 | | 8,157 | 29,235 | 5 |
| 61,976 | | | 61,976 | 6 |
| 5,080 | | | 5,080 | 7 |
| 12,331 | | | 12,331 | 8 |
| 34,616 | | | 34,616 | 9 |
| 10,043 | | | 10,043 | 10 |
| 411 | | | 411 | 11 |
| 1,600 | | | 1,600 | 12 |
| 67,488 | 26,100 | 23,216 | 116,804 | 13 |
| | | | | 14 |
| | | | | 15 |
| | | | | 16 |
| | | | | 17 |
| **11,177,097** | **26,100** | **124,914** | **11,328,111** | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)
(Including transactions referred to as "wheeling")

1. Report all transmission, i.e., wheeling of electricity provided to respondent by other electric utilities, cooperatives, municipalities, or other public authorities during the year.
2. In column (a) report each company or public authority that provide transmission service. Provide the full name of the company; abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider.
3. Provide in column (a) subheadings and classify transmission service purchased form other utilities as: "Delivered Power to Wheeler" or "Received Power from Wheeler."
4. Report in columns (b) and (c) the total Megawatthours received and delivered by the provider of the transmission service.
5. In columns (d) through (g), report expenses as shown on bills or vouchers rendered to the respondent. In column (d), provide demand charges. In column (e), provide energy charges related to the amount of energy transferred. In column (f), provide the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (f). Report in column (9) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero ("0") column (g). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
6. Enter "TOTAL" in column (a) as the last Line. Provide a total amount in columns (b) through (g) as the last Line. Energy provided by the respondent for the wheeler's transmission tosses should be reported on the Electric Energy Account, Page 401. If the respondent received power from the wheeler, energy provided to account for Losses should be reported on Line 19. Transmission By Others Losses, on Page 401. Otherwise, Losses should be reported on line 27, Total Energy Losses, Page 401.
7. Footnote entries and provide explanations following all required data.

| Line No. | Name of Company or Public Authority (Footnote Affiliations) (a) | TRANSFER OF ENERGY Magawatt-hours Received (b) | Magawatt-hours Delivered (c) | EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS Demand Charges ($) (d) | Energy Charges ($) (e) | Other Charges ($) (f) | Total Cost of Transmission ($) (g) |
|---|---|---|---|---|---|---|---|
| 1 | Bonneville Power Admin | | | 705 | | | 705 |
| 2 | Bonneville Power Admin | | | 1,172,808 | | | 1,172,808 |
| 3 | Bonneville Power Admin | | | 5,134,710 | | | 5,134,710 |
| 4 | Bonneville Power Admin | | | 679,134 | | | 679,134 |
| 5 | Bonneville Power Admin | | | 3,132 | | | 3,132 |
| 6 | Bonneville Power Admin | | | 1,130,826 | | | 1,130,826 |
| 7 | Bonneville Power Admin | | | | | -536 | -536 |
| 8 | Bonneville Power Admin | 327 | 327 | | 1,175 | 50 | 1,225 |
| 9 | Bonneville Power Admin | 10,839 | 10,839 | | 38,800 | -310 | 38,490 |
| 10 | Benton County PUD | 296 | 296 | | 582 | -1,573 | -991 |
| 11 | Grant County PUD | | | 10,129 | | | 10,129 |
| 12 | Grant County PUD | 529 | 529 | | 1,157 | | 1,157 |
| 13 | Kootenai Electric Coop | | | 32,112 | | | 32,112 |
| 14 | NorthWestern Energy | 27,232 | 27,232 | 99,062 | 126,901 | | 225,963 |
| 15 | Portland General Elec | 2,142 | 2,142 | | 2,703 | 323 | 3,026 |
| 16 | Portland General Elec | | | 585,368 | | | 585,368 |
| | TOTAL | 59,128 | 59,128 | 8,847,986 | 233,247 | -2,046 | 9,079,187 |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report (Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

## TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)
(Including transactions referred to as "wheeling")

1. Report all transmission, i.e., wheeling of electricity provided to respondent by other electric utilities, cooperatives, municipalities, or other public authorities during the year.
2. In column (a) report each company or public authority that provide transmission service. Provide the full name of the company; abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider.
3. Provide in column (a) subheadings and classify transmission service purchased form other utilities as: "Delivered Power to Wheeler" or "Received Power from Wheeler."
4. Report in columns (b) and (c) the total Megawatthours received and delivered by the provider of the transmission service.
5. In columns (d) through (g), report expenses as shown on bills or vouchers rendered to the respondent. In column (d), provide demand charges. In column (e), provide energy charges related to the amount of energy transferred. In column (f), provide the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (f). Report in column (9) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero ("0") column (g). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
6. Enter "TOTAL" in column (a) as the last Line. Provide a total amount in columns (b) through (g) as the last Line. Energy provided by the respondent for the wheeler's transmission tosses should be reported on the Electric Energy Account, Page 401. If the respondent received power from the wheeler, energy provided to account for Losses should be reported on Line 19. Transmission By Others Losses, on Page 401. Otherwise, Losses should be reported on line 27, Total Energy Losses, Page 401.
7. Footnote entries and provide explanations following all required data.

| Line No. | Name of Company or Public Authority (Footnote Affiliations)<br>(a) | TRANSFER OF ENERGY<br>Magawatt-hours Received<br>(b) | Magawatt-hours Delivered<br>(c) | EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS<br>Demand Charges ($)<br>(d) | Energy Charges ($)<br>(e) | Other Charges ($)<br>(f) | Total Cost of Transmission ($)<br>(g) |
|---|---|---|---|---|---|---|---|
| 1 | Puget Sound Energy | 6,794 | 6,794 | | 40,764 | | 40,764 |
| 2 | Seattle City Light | 64 | 64 | | 272 | | 272 |
| 3 | Snohomish PUD | 6,800 | 6,800 | | 13,200 | | 13,200 |
| 4 | Sierra Pacific | 600 | 600 | | 1,146 | | 1,146 |
| 5 | Tacoma Power | 2,705 | 2,705 | | 4,947 | | 4,947 |
| 6 | Tacoma Power | 800 | 800 | | 1,600 | | 1,600 |
| 7 | TOTAL | 59,128 | 59,128 | 8,847,986 | 233,247 | -2,046 | 9,079,187 |
| 8 | | | | | | | |
| 9 | | | | | | | |
| 10 | | | | | | | |
| 11 | | | | | | | |
| 12 | | | | | | | |
| 13 | | | | | | | |
| 14 | | | | | | | |
| 15 | | | | | | | |
| 16 | | | | | | | |
| | TOTAL | 59,128 | 59,128 | 8,847,986 | 233,247 | -2,046 | 9,079,187 |

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

| Line No. | Description (a) | Amount (b) |
|---|---|---|
| 1 | Industry Association Dues | 223,218 |
| 2 | Nuclear Power Research Expenses | |
| 3 | Other Experimental and General Research Expenses | |
| 4 | Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities | 90,691 |
| 5 | Oth Expn >=5,000 show purpose, recipient, amount. Group if < $5,000 | 777,895 |
| 6 | Directors Fees and Expenses | 220,059 |
| 7 | Miscellaneous General Expenses (930.20) | 468,689 |
| 8 | Community Relations (930.22) | 595,495 |
| 9 | Educational - Informational (930.23) | 123,454 |
| 10 | Other Miscellaneous General Expenses (930.29) | 4,230 |
| 11 | Other Miscellaneous Labor (930.27 & 930.28) | 92,032 |
| 12 | | |
| 13 | | |
| 14 | | |
| 15 | | |
| 16 | | |
| 17 | | |
| 18 | | |
| 19 | | |
| 20 | | |
| 21 | | |
| 22 | | |
| 23 | | |
| 24 | | |
| 25 | | |
| 26 | | |
| 27 | | |
| 28 | | |
| 29 | | |
| 30 | | |
| 31 | | |
| 32 | | |
| 33 | | |
| 34 | | |
| 35 | | |
| 36 | | |
| 37 | | |
| 38 | | |
| 39 | | |
| 40 | | |
| 41 | | |
| 42 | | |
| 43 | | |
| 44 | | |
| 45 | | |
| 46 | TOTAL | 2,595,763 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of aquisition adjustments)

1. Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403; (c) Depreciation Expense for Asset Retirement Costs (Account 403.1; (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.
For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

### A. Summary of Depreciation and Amortization Charges

| Line No. | Functional Classification (a) | Depreciation Expense (Account 403) (b) | Depreciation Expense for Asset Retirement Costs (Account 403.1) (c) | Amortization of Limited Term Electric Plant (Account 404) (d) | Amortization of Other Electric Plant (Acc 405) (e) | Total (f) |
|---|---|---|---|---|---|---|
| 1 | Intangible Plant | | | 2,408,010 | | 2,408,010 |
| 2 | Steam Production Plant | 11,435,683 | | | | 11,435,683 |
| 3 | Nuclear Production Plant | | | | | |
| 4 | Hydraulic Production Plant-Conventional | 5,386,128 | | | | 5,386,128 |
| 5 | Hydraulic Production Plant-Pumped Storage | | | | | |
| 6 | Other Production Plant | 4,462,767 | | | 2,450,004 | 6,912,771 |
| 7 | Transmission Plant | 7,311,668 | | | | 7,311,668 |
| 8 | Distribution Plant | 15,636,268 | | | | 15,636,268 |
| 9 | General Plant | 2,349,186 | | | | 2,349,186 |
| 10 | Common Plant-Electric | 3,996,573 | | 1,932,061 | | 5,928,634 |
| 11 | TOTAL | 50,578,273 | | 4,340,071 | 2,450,004 | 57,368,348 |

### B. Basis for Amortization Charges

1. Amortization of Limited - Term Electric Plant - Account 404 includes:
(a) $8,050 amortization of limited term electric plant is based upon the operation portion of the Noxon Rapids Licensed Project #2075 which ends 5/1/2005.
(b) $323,335 amortization of Noxon and Cabinet Relicense over 45 years.
(c) $12,189 amortization of contribution for construction of Sandcreek Substation.
(d) $18,446 amortization of Misc. Intangible Electric Plant pursuant to FERC order dated 6/16/1986, Docket #EC86-17-000 relating to Company's contribution to the construction of the Sand Dunes - Taunton 115kv Transmission line in Grant County, WA in 1986.
(e) $3,430,668 amortization of software.
(f) $547,383 allocated portion of Amortization Leasehold Improvements from common plant.
2. Account 405 - Reflects amortization of the investment in settlement exchange power for WNP #3.
3. Plant balances listed in Section C, Column B are derived at by taking the beginning plant balance plus the ending plant balance divided by two.
4. "Applied Depreciation Rates (%)" listed in column e of Section C are an average of our Idaho and Washington rates.
5. A 9% Sinking Fund is in affect for our Hydro Plant Accounts that are broken out in Section C.
6. Cost of Removal is included in calculating the "Remaining Life" in Section C, column g.

## DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

### C. Factors Used in Estimating Depreciation Charges

| Line No. | Account No. (a) | Depreciable Plant Base (In Thousands) (b) | Estimated Avg. Service Life (c) | Net Salvage (Percent) (d) | Applied Depr. rates (Percent) (e) | Mortality Curve Type (f) | Average Remaining Life (g) |
|---|---|---|---|---|---|---|---|
| 12 | STEAM PLANT | | | | | | |
| 13 | Colstrip No. 3 | | | | | | |
| 14 | 311 | 50,503 | 35.62 | -6.30 | 3.02 | | 14.28 |
| 15 | 312 | 73,061 | 35.96 | -6.80 | 3.04 | | 14.90 |
| 16 | 314 | 16,967 | 34.03 | -6.40 | 3.17 | | 16.16 |
| 17 | 315 | 8,070 | 35.37 | -6.40 | 2.99 | | 14.99 |
| 18 | 316 | 8,643 | 34.15 | -5.50 | 3.05 | | 15.01 |
| 19 | Subtotal | 157,244 | | | | | |
| 20 | | | | | | | |
| 21 | Colstrip No. 4 | | | | | | |
| 22 | 311 | 49,145 | 33.73 | -6.30 | 3.16 | | 15.78 |
| 23 | 312 | 45,127 | 34.03 | -6.90 | 3.15 | | 16.26 |
| 24 | 314 | 14,921 | 31.79 | -6.40 | 3.32 | | 17.85 |
| 25 | 315 | 5,411 | 34.54 | -7.00 | 2.80 | | 16.74 |
| 26 | 316 | 4,036 | 32.63 | -5.50 | 3.21 | | 16.97 |
| 27 | Subtotal | 118,640 | | | | | |
| 28 | | | | | | | |
| 29 | Kettle Falls | | | | | | |
| 30 | 310 | 148 | 35.00 | | 3.04 | | |
| 31 | 311 | 24,258 | 33.01 | -3.80 | 3.31 | | 14.70 |
| 32 | 312 | 39,648 | 33.50 | -4.10 | 3.39 | | 17.32 |
| 33 | 314 | 13,399 | 33.81 | -3.70 | 3.34 | | 15.26 |
| 34 | 315 | 10,274 | 34.31 | -4.20 | 3.16 | | 15.72 |
| 35 | 316 | 2,444 | 33.08 | -3.10 | 3.37 | | 16.46 |
| 36 | Subtotal | 90,171 | | | | | |
| 37 | | | | | | | |
| 38 | HYDRO PLANT | | | | | | |
| 39 | Cabinet Gorge | | | | | | |
| 40 | 330 | 7,241 | 100.00 | | | SQ | 94.17 |
| 41 | 331 | 9,467 | 75.00 | 1.10 | 0.08 | S2 | 48.01 |
| 42 | 332 | 18,871 | 100.00 | -5.80 | 0.05 | R3 | 76.17 |
| 43 | 333 | 27,178 | 60.00 | 0.50 | 0.09 | S3 | 51.33 |
| 44 | 334 | 5,117 | 45.00 | 56.60 | 0.37 | R3 | 23.98 |
| 45 | 335 | 2,396 | 45.00 | -1.20 | 0.39 | R2 | |
| 46 | 336 | 1,099 | 75.00 | | 0.20 | R3 | 38.21 |
| 47 | Subtotal | 71,369 | | | | | |
| 48 | | | | | | | |
| 49 | Noxon Rapids | | | | | | |
| 50 | 330 | 29,974 | 100.00 | | | SQ | 96.08 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

### C. Factors Used in Estimating Depreciation Charges

| Line No. | Account No. (a) | Depreciable Plant Base (In Thousands) (b) | Estimated Avg. Service Life (c) | Net Salvage (Percent) (d) | Applied Depr. rates (Percent) (e) | Mortality Curve Type (f) | Average Remaining Life (g) |
|---|---|---|---|---|---|---|---|
| 12 | 331 | 11,095 | 75.00 | 5.70 | 0.08 | S2 | 60.08 |
| 13 | 332 | 31,220 | 100.00 | 64.10 | 0.05 | R3 | 83.67 |
| 14 | 333 | 31,042 | 60.00 | -1.30 | 0.09 | S3 | 54.70 |
| 15 | 334 | 10,795 | 45.00 | -16.20 | 0.37 | R3 | 43.14 |
| 16 | 335 | 2,611 | 45.00 | -5.50 | 0.39 | R2 | 21.35 |
| 17 | 336 | 217 | 65.00 | | 0.10 | R3 | 49.81 |
| 18 | Subtotal | 116,954 | | | | | |
| 19 | | | | | | | |
| 20 | Post Falls | | | | | | |
| 21 | 330 | 2,732 | 100.00 | | | SQ | 84.49 |
| 22 | 331 | 611 | 65.00 | -8.90 | 0.08 | S2 | |
| 23 | 332 | 4,055 | 90.00 | 0.70 | 0.05 | R3 | 85.83 |
| 24 | 333 | 2,215 | 60.00 | | 0.09 | S3 | |
| 25 | 334 | 846 | 40.00 | -11.60 | 0.37 | R3 | 3.33 |
| 26 | 335 | 214 | 55.00 | 5.50 | 0.39 | R2 | 49.69 |
| 27 | Subtotal | 10,673 | | | | | |
| 28 | | | | | | | |
| 29 | Long Lake | | | | | | |
| 30 | 330 | 418 | 100.00 | | | SQ | 74.89 |
| 31 | 331 | 1,588 | 75.00 | -110.50 | 0.08 | S2 | |
| 32 | 332 | 16,506 | 95.00 | 6.20 | 0.05 | R3 | 43.88 |
| 33 | 333 | 8,792 | 60.00 | -28.80 | 0.09 | S3 | 27.59 |
| 34 | 334 | 2,616 | 45.00 | 122.10 | 0.37 | R3 | 13.82 |
| 35 | 335 | 355 | 45.00 | 27.80 | 0.39 | R2 | 25.34 |
| 36 | Subtotal | 30,275 | | | | | |
| 37 | | | | | | | |
| 38 | Little Falls | | | | | | |
| 39 | 330 | 4,217 | 100.00 | | | SQ | 82.46 |
| 40 | 331 | 903 | 75.00 | 13.20 | 0.08 | S2 | |
| 41 | 332 | 4,990 | 95.00 | -0.50 | 0.05 | R3 | 63.18 |
| 42 | 333 | 3,959 | 60.00 | -4.20 | 0.09 | S3 | 12.66 |
| 43 | 334 | 1,666 | 40.00 | 18.00 | 0.37 | R3 | 14.36 |
| 44 | 335 | 137 | 55.00 | -1.70 | 0.39 | R2 | 27.05 |
| 45 | Subtotal | 15,872 | | | | | |
| 46 | | | | | | | |
| 47 | Upper Falls | | | | | | |
| 48 | 330 | 64 | 100.00 | | 0.01 | SQ | 66.03 |
| 49 | 331 | 492 | 75.00 | -1.70 | 0.08 | S2 | |
| 50 | 332 | 2,287 | 95.00 | 14.70 | 0.05 | R3 | 50.58 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original (2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

| Line No. | Account No. (a) | Depreciable Plant Base (In Thousands) (b) | Estimated Avg. Service Life (c) | Net Salvage (Percent) (d) | Applied Depr. rates (Percent) (e) | Mortality Curve Type (f) | Average Remaining Life (g) |
|---|---|---|---|---|---|---|---|
| 12 | 333 | 1,090 | 60.00 | -201.60 | 0.09 | S3 | 20.74 |
| 13 | 334 | 776 | 45.00 | -1.00 | 0.37 | R3 | 30.83 |
| 14 | 335 | 107 | 35.00 | | 0.39 | R2 | 30.84 |
| 15 | Subtotal | 4,816 | | | | | |
| 16 | | | | | | | |
| 17 | Nine Mile | | | | | | |
| 18 | 330 | 11 | 100.00 | | | SQ | 62.45 |
| 19 | 331 | 3,922 | 75.00 | -12.00 | 0.08 | S2 | 62.13 |
| 20 | 332 | 11,841 | 95.00 | -12.90 | 0.05 | R3 | 77.91 |
| 21 | 333 | 9,461 | 60.00 | -18.00 | 0.09 | S3 | 58.93 |
| 22 | 334 | 2,603 | 45.00 | 24.60 | 0.37 | R3 | 35.98 |
| 23 | 335 | 282 | 55.00 | -0.70 | 0.39 | R2 | 44.81 |
| 24 | 336 | 625 | 65.00 | | 0.10 | R3 | 63.66 |
| 25 | Subtotal | 28,745 | | | | | |
| 26 | | | | | | | |
| 27 | Centralia-Skookumchuck | | | | | | |
| 28 | 331 | 51 | 35.00 | | 2.86 | SQ | 19.02 |
| 29 | 332 | 3 | 35.00 | | 2.86 | SQ | 27.46 |
| 30 | 333 | 434 | 35.00 | | 2.86 | SQ | 21.06 |
| 31 | 334 | 91 | 35.00 | | 2.86 | SQ | 18.63 |
| 32 | Subtotal | 579 | | | | | |
| 33 | | | | | | | |
| 34 | Monroe Street | | | | | | |
| 35 | 331 | 8,147 | 65.00 | -31.20 | 0.08 | R3 | 65.87 |
| 36 | 332 | 8,045 | 75.00 | -34.90 | 0.05 | S2 | 75.87 |
| 37 | 333 | 11,018 | 60.00 | -32.70 | 0.09 | S3 | 61.89 |
| 38 | 334 | 1,615 | 45.00 | -31.30 | 0.37 | R3 | 46.48 |
| 39 | 335 | 24 | 45.00 | -35.70 | 0.39 | R2 | 46.50 |
| 40 | 336 | 50 | 65.00 | -13.20 | 0.10 | R3 | 66.07 |
| 41 | Subtotal | 28,899 | | | | | |
| 42 | | | | | | | |
| 43 | OTHER PRODUCTION | | | | | | |
| 44 | Northeast Turbine | | | | | | |
| 45 | 341 | 257 | 29.33 | | 2.36 | | 1.78 |
| 46 | 342 | 1,146 | 29.98 | | 2.08 | | 2.13 |
| 47 | 343 | 9,379 | 29.78 | | 2.21 | | 9.89 |
| 48 | 344 | 2,595 | 29.93 | | 2.18 | | 1.44 |
| 49 | 345 | 334 | 16.60 | | 7.34 | | 6.80 |
| 50 | 346 | 241 | 29.35 | | 2.61 | | 2.18 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

### C. Factors Used in Estimating Depreciation Charges

| Line No. | Account No. (a) | Depreciable Plant Base (In Thousands) (b) | Estimated Avg. Service Life (c) | Net Salvage (Percent) (d) | Applied Depr. rates (Percent) (e) | Mortality Curve Type (f) | Average Remaining Life (g) |
|---|---|---|---|---|---|---|---|
| 12 | Subtotal | 13,952 | | | | | |
| 13 | | | | | | | |
| 14 | Rathdrum | | | | | | |
| 15 | 341 | 3 | | | | | |
| 16 | 343 | 3,652 | | | 4.18 | | |
| 17 | 344 | 603 | | | 4.14 | | |
| 18 | 345 | 204 | | | 4.20 | | |
| 19 | Subtotal | 4,462 | | | | | |
| 20 | | | | | | | |
| 21 | Kettle Falls CT | | | | | | |
| 22 | 342 | 89 | | | 4.17 | | |
| 23 | 343 | 9,071 | | | 3.20 | | |
| 24 | 344 | 4 | | | 2.18 | | |
| 25 | 345 | 5 | | | 4.20 | | |
| 26 | Subtotal | 9,169 | | | | | |
| 27 | | | | | | | |
| 28 | Boulder Park | | | | | | |
| 29 | 341 | 714 | | | 5.00 | | |
| 30 | 342 | 116 | | | 5.00 | | |
| 31 | 343 | 4 | | | 4.59 | | |
| 32 | 344 | 29,693 | | | 4.14 | | |
| 33 | 345 | 255 | | | 5.00 | | |
| 34 | 346 | 3 | | | 5.00 | | |
| 35 | Subtotal | 30,785 | | | | | |
| 36 | | | | | | | |
| 37 | Coyote Springs 2 | | | | | | |
| 38 | 341 | 7,157 | | | 4.17 | | |
| 39 | 342 | 12,605 | | | 4.17 | | |
| 40 | 344 | 75,863 | | | 4.14 | | |
| 41 | 345 | 8,246 | | | 4.20 | | |
| 42 | 346 | 656 | | | 4.19 | | |
| 43 | Subtotal | 104,527 | | | | | |
| 44 | | | | | | | |
| 45 | TRANSMISSION PLANT | | | | | | |
| 46 | 350 | 9,703 | | | 1.32 | | |
| 47 | 352 | 8,990 | 50.00 | -5.00 | 2.25 | R4 | 34.79 |
| 48 | 353 | 117,685 | 50.00 | -25.00 | 2.78 | R4 | 31.87 |
| 49 | 354 | 17,065 | 75.00 | -5.00 | 1.55 | R4 | 52.63 |
| 50 | 355 | 75,535 | 45.00 | -33.00 | 3.06 | R3 | 24.18 |

## DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

### C. Factors Used in Estimating Depreciation Charges

| Line No. | Account No. (a) | Depreciable Plant Base (In Thousands) (b) | Estimated Avg. Service Life (c) | Net Salvage (Percent) (d) | Applied Depr. rates (Percent) (e) | Mortality Curve Type (f) | Average Remaining Life (g) |
|---|---|---|---|---|---|---|---|
| 12 | 356 | 64,733 | 55.00 | | 1.90 | R2 | 36.07 |
| 13 | 357 | 561 | 60.00 | -2.00 | 1.70 | R4 | 34.12 |
| 14 | 358 | 1,318 | 60.00 | | 1.61 | R4 | 34.64 |
| 15 | 359 | 1,826 | 75.00 | | 1.34 | R5 | 56.68 |
| 16 | Subtotal | 297,416 | | | | | |
| 17 | | | | | | | |
| 18 | DISTRIBUTION PLANT | | | | | | |
| 19 | 361 | 10,083 | 50.00 | -10.00 | 2.13 | R3 | 32.44 |
| 20 | 362 | 67,648 | 40.00 | | 2.56 | R1.5 | 27.62 |
| 21 | 364 | 152,149 | 45.00 | 5.00 | 1.90 | R1 | 31.73 |
| 22 | 365 | 103,481 | 50.00 | 20.00 | 1.33 | R2 | 35.22 |
| 23 | 366 | 47,685 | 60.00 | -10.00 | 1.93 | R4 | 49.80 |
| 24 | 367 | 79,070 | 40.00 | -17.00 | 2.57 | L1 | 35.74 |
| 25 | 368 | 119,218 | 40.00 | -10.00 | 2.65 | R2 | 23.84 |
| 26 | 369 | 84,066 | 48.00 | -10.00 | 2.27 | R3 | 30.39 |
| 27 | 370 | 23,980 | 35.00 | -10.00 | 3.15 | R3 | 21.92 |
| 28 | 373 | 10,638 | 25.00 | -10.00 | 2.50 | R2 | 3.10 |
| 29 | 373.4 Hi Press Sodium | 9,396 | 20.00 | -10.00 | 5.82 | R2 | 13.55 |
| 30 | Subtotal | 707,414 | | | | | |
| 31 | | | | | | | |
| 32 | GENERAL PLANT | | | | | | |
| 33 | 390.10 Struc & Improve | 1,796 | 50.00 | -5.00 | 2.01 | L0.5 | 37.13 |
| 34 | 391.1 Comp Hardware | 123 | 6.00 | | 28.18 | S1.0 | 12.85 |
| 35 | 393 | 99 | 40.00 | 2.00 | 2.47 | R3 | 25.82 |
| 36 | 394 | 2,705 | 20.00 | 10.00 | 4.72 | L3 | 12.72 |
| 37 | 395 | 2,878 | 28.00 | | 3.65 | L1 | 17.08 |
| 38 | 397 | 18,362 | 12.00 | | 10.51 | L2 | 5.48 |
| 39 | 398 | 2 | 25.00 | | 3.89 | R2 | |
| 40 | Subtotal | 25,965 | | | | | |
| 41 | | | | | | | |
| 42 | MISC POWER | | | | | | |
| 43 | 392 | 1,111 | | | 4.93 | | |
| 44 | 396 | 1,434 | | | 7.43 | | |
| 45 | Subtotal | 2,545 | | | | | |
| 46 | | | | | | | |
| 47 | TOTAL COMPANY | 1,870,472 | | | | | |
| 48 | | | | | | | |
| 49 | | | | | | | |
| 50 | | | | | | | |

This Page Intentionally Left Blank

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

| Line No. | Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a) | Assessed by Regulatory Commission (b) | Expenses of Utility (c) | Total Expense for Current Year (b) + (c) (d) | Deferred in Account 182.3 at Beginning of Year (e) |
|---|---|---|---|---|---|
| 1 | FEDERAL ENERGY REGULATORY COMMISSION | | | | |
| 2 | FERC Cases Doc #s:CP01-141 & 438,CP02-4, | | | | |
| 3 | CP03-31 & 32,RM96-1,RP99-518,RP00-414,RP02-365 | | | | |
| 4 | &455,RP03-7,41,70,95,272,403,404,436,483,501, | | | | |
| 5 | 556,573,574,577,597 & 600, RP 04-15 | | | | |
| 6 | 16,23,28,31,51,82,85 & 86 | 2,150,208 | 7,425 | 2,157,633 | |
| 7 | | | | | |
| 8 | WASHINGTON UTILITIES & TRANSPORTATION | | | | |
| 9 | Misc. Electric-Docket #s: 31914,31905,31797, | | | | |
| 10 | 31734,31619,31553,31408,31247,31176,31096, | | | | |
| 11 | 31095,31031,30938,30937,30762,30751,30706, | | | | |
| 12 | 30631,30608,30598,30596,30583,30449,30431, | | | | |
| 13 | & 30348 | 578,571 | 331,472 | 910,043 | |
| 14 | | | | | |
| 15 | Misc. Gas - Docket #s: 32148,31798,31735,31620 | | | | |
| 16 | 31590,31554,31631,31303,31253,31252,30829, | | | | |
| 17 | 30763,30672,30632,30609,30599,30584,30432, | | | | |
| 18 | 30349,30192,21639,21584,20575,20226 & 20218 | 287,300 | 228,802 | 516,102 | |
| 19 | | | | | |
| 20 | IDAHO PUBLIC UTILITIES COMMISSION | | | | |
| 21 | Misc. Electric- Docket #s:AVU-E-03-7,AVUE-02-8 | | | | |
| 22 | AVU-E-03-1,AVU-E-03-2,AVU-E-03-4,AVU-E-03-5, | | | | |
| 23 | AVU-E-03-6, 8 & 9Advice #s: 03-01-E, & 03-02-E | | | | |
| 24 | General Docket #: GNR-E-03-2 | 367,858 | 264,988 | 632,846 | |
| 25 | | | | | |
| 26 | Misc. Gas - Docket #s:AVU-G-03-1 & AVU-G-03-2 | | | | |
| 27 | Advice #s: 03-01-G & 03-02-G | 143,493 | 99,303 | 242,796 | |
| 28 | | | | | |
| 29 | OREGON PUBLIC UTILITIES COMMISSION | | | | |
| 30 | Docket #s: UM-734,UM-903,UM-1099,UM-1115,UG153 | | | | |
| 31 | /154,AR-357,AR-452,AR-427,AR-428,UF-4198, | | | | |
| 32 | UF-4079, LC-35, UCR-35 Misc Advice #s: 03-1-G, | | | | |
| 33 | 03-2-G (Suppl) & 03-4-G | 214,606 | 265,172 | 479,778 | |
| 34 | | | | | |
| 35 | CALIFORNIA PUBLIC UTILITIES COMMISSION | | | | |
| 36 | Rulemaking: 02.10.01,01.08.027,01.05.047, | | | | |
| 37 | 03.03.017,.03.09.006,Resolutions: G3342,G3329, | | | | |
| 38 | G3303,Decisions: 02.01.040,02.07.033,01.06.010 | | | | |
| 39 | ,01.08.065,Advice #s: C-51-G,C-52-G,C-53-G, | | | | |
| 40 | C-54-G,C-55-G,C-56-G,C-57-G & C-58-G | 47,022 | 79,882 | 126,904 | |
| 41 | | | | | |
| 42 | | | | | |
| 43 | | | | | |
| 44 | | | | | |
| 45 | | | | | |
| 46 | TOTAL | 3,789,058 | 1,277,044 | 5,066,102 | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than $25,000) may be grouped.

| EXPENSES INCURRED DURING YEAR | | | | AMORTIZED DURING YEAR | | | |
|---|---|---|---|---|---|---|---|
| CURRENTLY CHARGED TO | | | Deferred to Account 182.3 | Contra Account | Amount | Deferred in Account 182.3 End of Year | Line No. |
| Department (f) | Account No. (g) | Amount (h) | (i) | (j) | (k) | (l) | |
| | | | | | | | 1 |
| | | | | | | | 2 |
| | | | | | | | 3 |
| | | | | | | | 4 |
| | | | | | | | 5 |
| Electric | 0928 | 2,157,633 | | | | | 6 |
| | | | | | | | 7 |
| | | | | | | | 8 |
| | | | | | | | 9 |
| | | | | | | | 10 |
| | | | | | | | 11 |
| | | | | | | | 12 |
| Electric | 0928 | 910,043 | | | | | 13 |
| | | | | | | | 14 |
| | | | | | | | 15 |
| | | | | | | | 16 |
| | | | | | | | 17 |
| Gas | 1928 | 516,102 | | | | | 18 |
| | | | | | | | 19 |
| | | | | | | | 20 |
| | | | | | | | 21 |
| | | | | | | | 22 |
| | | | | | | | 23 |
| Electric | 0928 | 632,846 | | | | | 24 |
| | | | | | | | 25 |
| | | | | | | | 26 |
| Gas | 1928 | 242,796 | | | | | 27 |
| | | | | | | | 28 |
| | | | | | | | 29 |
| | | | | | | | 30 |
| | | | | | | | 31 |
| | | | | | | | 32 |
| Gas | 2928 | 479,778 | | | | | 33 |
| | | | | | | | 34 |
| | | | | | | | 35 |
| | | | | | | | 36 |
| | | | | | | | 37 |
| | | | | | | | 38 |
| | | | | | | | 39 |
| Gas | 2928 | 126,904 | | | | | 40 |
| | | | | | | | 41 |
| | | | | | | | 42 |
| | | | | | | | 43 |
| | | | | | | | 44 |
| | | | | | | | 45 |
| | | 5,066,102 | | | | | 46 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

| Line No. | Classification<br>(a) | Direct Payroll Distribution<br>(b) | Allocation of Payroll charged for Clearing Accounts<br>(c) | Total<br>(d) |
|---|---|---|---|---|
| 1 | Electric | | | |
| 2 | Operation | | | |
| 3 | Production | 7,873,170 | | |
| 4 | Transmission | 1,756,699 | | |
| 5 | Distribution | 5,240,483 | | |
| 6 | Customer Accounts | 4,614,178 | | |
| 7 | Customer Service and Informational | 65,546 | | |
| 8 | Sales | 637,433 | | |
| 9 | Administrative and General | 10,042,360 | | |
| 10 | TOTAL Operation (Enter Total of lines 3 thru 9) | 30,229,869 | | |
| 11 | Maintenance | | | |
| 12 | Production | 2,785,485 | | |
| 13 | Transmission | 693,991 | | |
| 14 | Distribution | 4,049,693 | | |
| 15 | Administrative and General | 767,388 | | |
| 16 | TOTAL Maint. (Total of lines 12 thru 15) | 8,296,557 | | |
| 17 | Total Operation and Maintenance | | | |
| 18 | Production (Enter Total of lines 3 and 12) | 10,658,655 | | |
| 19 | Transmission (Enter Total of lines 4 and 13) | 2,450,690 | | |
| 20 | Distribution (Enter Total of lines 5 and 14) | 9,290,176 | | |
| 21 | Customer Accounts (Transcribe from line 6) | 4,614,178 | | |
| 22 | Customer Service and Informational (Transcribe from line 7) | 65,546 | | |
| 23 | Sales (Transcribe from line 8) | 637,433 | | |
| 24 | Administrative and General (Enter Total of lines 9 and 15) | 10,809,748 | | |
| 25 | TOTAL Oper. and Maint. (Total of lines 18 thru 24) | 38,526,426 | 1,473,556 | 39,999,982 |
| 26 | Gas | | | |
| 27 | Operation | | | |
| 28 | Production-Manufactured Gas | | | |
| 29 | Production-Nat. Gas (Including Expl. and Dev.) | | | |
| 30 | Other Gas Supply | 362,661 | | |
| 31 | Storage, LNG Terminaling and Processing | | | |
| 32 | Transmission | | | |
| 33 | Distribution | 5,278,436 | | |
| 34 | Customer Accounts | 3,916,985 | | |
| 35 | Customer Service and Informational | 113,621 | | |
| 36 | Sales | 426,769 | | |
| 37 | Administrative and General | 4,211,354 | | |
| 38 | TOTAL Operation (Enter Total of lines 28 thru 37) | 14,309,826 | | |
| 39 | Maintenance | | | |
| 40 | Production-Manufactured Gas | | | |
| 41 | Production-Natural Gas | | | |
| 42 | Other Gas Supply | | | |
| 43 | Storage, LNG Terminaling and Processing | | | |
| 44 | Transmission | | | |
| 45 | Distribution | 1,760,860 | | |
| 46 | Administrative and General | 209,317 | | |
| 47 | TOTAL Maint. (Enter Total of lines 40 thru 46) | 1,970,177 | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

DISTRIBUTION OF SALARIES AND WAGES (Continued)

| Line No. | Classification<br>(a) | Direct Payroll Distribution<br>(b) | Allocation of Payroll charged for Clearing Accounts<br>(c) | Total<br>(d) |
|---|---|---|---|---|
| 48 | Total Operation and Maintenance | | | |
| 49 | Production-Manufactured Gas (Enter Total of lines 28 and 40) | | | |
| 50 | Production-Natural Gas (Including Expl. and Dev.) (Total lines 29, | | | |
| 51 | Other Gas Supply (Enter Total of lines 30 and 42) | 362,661 | | |
| 52 | Storage, LNG Terminaling and Processing (Total of lines 31 thru | | | |
| 53 | Transmission (Lines 32 and 44) | | | |
| 54 | Distribution (Lines 33 and 45) | 7,039,296 | | |
| 55 | Customer Accounts (Line 34) | 3,916,985 | | |
| 56 | Customer Service and Informational (Line 35) | 113,621 | | |
| 57 | Sales (Line 36) | 426,769 | | |
| 58 | Administrative and General (Lines 37 and 46) | 4,420,671 | | |
| 59 | TOTAL Operation and Maint. (Total of lines 49 thru 58) | 16,280,003 | 522,360 | 16,802,363 |
| 60 | Other Utility Departments | | | |
| 61 | Operation and Maintenance | | | |
| 62 | TOTAL All Utility Dept. (Total of lines 25, 59, and 61) | 54,806,429 | 1,995,916 | 56,802,345 |
| 63 | Utility Plant | | | |
| 64 | Construction (By Utility Departments) | | | |
| 65 | Electric Plant | 19,329,103 | 1,414,368 | 20,743,471 |
| 66 | Gas Plant | 5,884,317 | 402,353 | 6,286,670 |
| 67 | Other (provide details in footnote): | | | |
| 68 | TOTAL Construction (Total of lines 65 thru 67) | 25,213,420 | 1,816,721 | 27,030,141 |
| 69 | Plant Removal (By Utility Departments) | | | |
| 70 | Electric Plant | 770,753 | -20,467 | 750,286 |
| 71 | Gas Plant | 61,430 | 944 | 62,374 |
| 72 | Other (provide details in footnote): | | | |
| 73 | TOTAL Plant Removal (Total of lines 70 thru 72) | 832,183 | -19,523 | 812,660 |
| 74 | Other Accounts (Specify, provide details in footnote): | | | |
| 75 | Stores Expense (163) | | 9 | 9 |
| 76 | Preliminary Survey and Investigation (183) | 2,194 | | 2,194 |
| 77 | Small Tool Expense (184) | 62,990 | -11,092 | 51,898 |
| 78 | Miscellaneous Deferred Debits (186) | 29,320,078 | 32,244 | 29,352,322 |
| 79 | Merchandising Expenses (416) | -1,571 | | -1,571 |
| 80 | Non-operating expense (417) | 700,514 | 41,148 | 741,662 |
| 81 | Expenditures for Certain Civic, Political and Related Activit | 185,648 | 575 | 186,223 |
| 82 | Purchase and Stores Expense (980) | 1,311,920 | -1,294,532 | 17,388 |
| 83 | Transportation Expense (981) | 1,374,834 | -1,355,150 | 19,684 |
| 84 | Spokane Central Operating Facility Expense (985) | 768,951 | -764,030 | 4,921 |
| 85 | Clark Fork Relicensing (987) | 442,298 | -442,286 | 12 |
| 86 | | | | |
| 87 | | | | |
| 88 | | | | |
| 89 | | | | |
| 90 | | | | |
| 91 | | | | |
| 92 | | | | |
| 93 | | | | |
| 94 | | | | |
| 95 | TOTAL Other Accounts | 34,167,856 | -3,793,114 | 30,374,742 |
| 96 | TOTAL SALARIES AND WAGES | 115,019,888 | | 115,019,888 |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report (Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

## COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

1 & 2. Common Plant in Service and accumulated provision for depreciation

| Acct. No. | | |
|---|---|---|
| 303 | Intangible | $ 8,451,029 |
| 389 | Land and Land Rights | $ 1,562,682 |
| 390 | Structures and Improvements | $23,480,000 |
| 391 | Office Furniture and Equipment | $26,256,101 |
| 392 | Transportation Equipment | $ 1,559,791 |
| 393 | Stores Equipment | $ 855,103 |
| 394 | Tools, Shop and Garage Equipment | $ 606,410 |
| 395 | Laboratory Equipment | $ 769,932 |
| 396 | Power Operated Equipment | $ 1,384,046 |
| 397 | Communications Equipment | $11,350,264 |
| 398 | Miscellaneous Equipment | $ 291,715 |
| | Total Common Plant | $76,567,074 |
| | Const. work in Progress | $ 3,222,193 |
| | Total Utility Plant | $79,789,267 |
| | Acc.prov.for Dep. & Amort. | $35,857,057 |
| | Net Utility Plant | $43,932,210 |

3. Common Expenses allocated to Electric and Gas Departments:

| Acct | Description | Total | Allocation To Elect Dept | Allocation to Gas Dept | Basis of Allocation |
|---|---|---|---|---|---|
| 901 | Cust acct/collect supervision | 144,925 | 76,029 | $68,896 | # of cust @ yr end |
| 902 | Meter reading expenses | 3,916,000 | 2,469,586 | 1,446,414 | # of cust @ yr end |
| 903 | Cust rec & collectn expenses | 11,294,294 | 6,153,715 | 5,140,579 | # of cust @ yr end |
| 903.90-99 | A/R misc fees | 1,311,870 | 1,053,589 | 258,281 | net direct plant |
| 904 | Uncollectible Accounts | 1,607,087 | 1,008,501 | 598,586 | # of cust @ yr end |
| 905 | Misc cust acct expenses | 1,023,125 | 595,010 | 428,115 | # of cust @ yr end |
| 907 | Cust svc & info exp-supervision | 0 | 0 | 0 | # of cust @ yr end |
| 908 | Cust Assistance expenses | 90,167 | 56,863 | 33,304 | # of cust @ yr end |
| 909 | Info & instruct adver expenses | 193,128 | 121,794 | 71,334 | # of cust @ yr end |
| 910 | Misc cust serv & info expenses | 127,284 | 80,270 | 47,014 | # of cust @ yr end |
| 911 | Sales expense-supervision | 64,431 | 40,633 | 23,798 | # of cust @ yr end |

COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

| | | | | | |
|---|---|---|---|---|---|
| 912 | Demo and selling expenses | 1,426,598 | 899,670 | 526,928 | # of cust @ yr end |
| 913 | Advertising expenses | 271,537 | 171,242 | 100,295 | # of cust @ yr end |
| 916 | Misc sales expenses | 118,070 | 65,817 | 52,253 | # of cust @ yr end |
| 920 | Admin & gen salaries | 20,959,682 | 14,991,927 | 5,967,755 | four factor |
| 921 | Office supplies & expenses | 7,650,068 | 5,460,688 | 2,189,380 | four factor |
| 922 | Admin expenses tranf-credit | (27,948) | (22,221) | (5,727) | four factor |
| 923 | Outside services employed | 10,295,497 | 7,342,411 | 2,953,086 | four factor |
| 924 | Property Insurance | 1,241,083 | 884,793 | 356,290 | four factor |
| 925 | Injuries and damages | 4,275,113 | 3,142,157 | 1,132,956 | four factor |
| 926 | Employee pensions & benefits | 33,220,536 | 23,753,020 | 9,467,516 | four factor |
| 927 | Franchise Requirement | 0 | 0 | 0 | four factor |
| 928 | Regulatory commission expenses | 0 | 0 | 0 | four factor |
| 929 | Duplicate charges-credit | 0 | 0 | 0 | four factor |
| 930.1 | General Advertising expenses | 23,699 | 17,696 | 6,003 | four factor |
| 930.2 | Misc general expenses | 3,293,009 | 2,423,340 | 869,669 | four factor |
| 931 | Rents | 7,591,710 | 5,416,944 | 2,174,766 | four factor |
| 935 | Maint of general plant | 3,714,814 | 2,768,998 | 945,816 | four factor |
| 403 | Depreciation | 5,477,733 | 3,996,573 | 1,481,160 | four factor |
| 404 | Amort of LTD term plant | 2,710,067 | 1,932,061 | 778,006 | four factor |

Note 1: The four factor allocator is made up of 25% each-customer count, direct labor, direct O&M and Net Direct Plant

4. Letters of approval received from staffs of State Regulatory Commissions in 1993.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

| Line No. | Item (a) | MegaWatt Hours (b) |
|---|---|---|
| 1 | SOURCES OF ENERGY | |
| 2 | Generation (Excluding Station Use): | |
| 3 | Steam | 1,959,341 |
| 4 | Nuclear | |
| 5 | Hydro-Conventional | 3,539,611 |
| 6 | Hydro-Pumped Storage | |
| 7 | Other | 438,651 |
| 8 | Less Energy for Pumping | |
| 9 | Net Generation (Enter Total of lines 3 through 8) | 5,937,603 |
| 10 | Purchases | 4,719,608 |
| 11 | Power Exchanges: | |
| 12 | Received | 651,796 |
| 13 | Delivered | 608,076 |
| 14 | Net Exchanges (Line 12 minus line 13) | 43,720 |
| 15 | Transmission For Other (Wheeling) | |
| 16 | Received | 4,040,560 |
| 17 | Delivered | 4,040,560 |
| 18 | Net Transmission for Other (Line 16 minus line 17) | |
| 19 | Transmission By Others Losses | |
| 20 | TOTAL (Enter Total of lines 9, 10, 14, 18 and 19) | 10,700,931 |

| Line No. | Item (a) | MegaWatt Hours (b) |
|---|---|---|
| 21 | DISPOSITION OF ENERGY | |
| 22 | Sales to Ultimate Consumers (Including Interdepartmental Sales) | 8,041,166 |
| 23 | Requirements Sales for Resale (See instruction 4, page 311.) | |
| 24 | Non-Requirements Sales for Resale (See instruction 4, page 311.) | 2,075,245 |
| 25 | Energy Furnished Without Charge | |
| 26 | Energy Used by the Company (Electric Dept Only, Excluding Station Use) | 7,664 |
| 27 | Total Energy Losses | 576,856 |
| 28 | TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20) | 10,700,931 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## MONTHLY PEAKS AND OUTPUT

1. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
2. Report in column (b) the system's energy output for each month such that the total on Line 41 matches the total on Line 20.
3. Report in column (c) a monthly breakdown of the Non-Requirements Sales For Resale reported on Line 24. include in the monthly amounts any energy losses associated with the sales so that the total on Line 41 exceeds the amount on Line 24 by the amount of losses incurred (or estimated) in making the Non-Requirements Sales for Resale.
4. Report in column (d) the system's monthly maximum megawatt Load (60-minute integration) associated with the net energy for the system defined as the difference between columns (b) and (c)
5. Report in columns (e) and (f) the specified information for each monthly peak load reported in column (d).

NAME OF SYSTEM:

| Line No. | Month (a) | Total Monthly Energy (b) | Monthly Non-Requirments Sales for Resale & Associated Losses (c) | MONTHLY PEAK Megawatts (See Instr. 4) (d) | MONTHLY PEAK Day of Month (e) | MONTHLY PEAK Hour (f) |
|---|---|---|---|---|---|---|
| 29 | January | 880,282 | 116,947 | 1,331 | 22 | 1800 |
| 30 | February | 845,585 | 163,094 | 1,345 | 24 | 0800 |
| 31 | March | 834,920 | 143,944 | 1,196 | 5 | 1900 |
| 32 | April | 884,722 | 262,507 | 1,159 | 2 | 2000 |
| 33 | May | 971,472 | 339,506 | 1,123 | 29 | 1700 |
| 34 | June | 1,038,509 | 384,175 | 1,256 | 18 | 1500 |
| 35 | July | 939,944 | 153,648 | 1,487 | 30 | 1700 |
| 36 | August | 860,590 | 118,265 | 1,400 | 1 | 1600 |
| 37 | September | 730,833 | 57,427 | 1,332 | 4 | 1700 |
| 38 | October | 799,440 | 85,874 | 1,323 | 30 | 1900 |
| 39 | November | 892,751 | 92,423 | 1,432 | 5 | 0800 |
| 40 | December | 1,021,883 | 157,435 | 1,509 | 30 | 1800 |
| 41 | TOTAL | 10,700,931 | 2,075,245 | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

| Line No. | Item (a) | Plant Name: *Coyote Springs 2* (b) | | | Plant Name: *Spokane N.E.* (c) | | |
|---|---|---|---|---|---|---|---|
| 1 | Kind of Plant (Internal Comb, Gas Turb, Nuclear | Gas Turbine | | | Gas Turbine | | |
| 2 | Type of Constr (Conventional, Outdoor, Boiler, etc) | Not Applicable | | | Not Applicable | | |
| 3 | Year Originally Constructed | 2003 | | | 1978 | | |
| 4 | Year Last Unit was Installed | 2003 | | | 1978 | | |
| 5 | Total Installed Cap (Max Gen Name Plate Ratings-MW) | 143.50 | | | 61.80 | | |
| 6 | Net Peak Demand on Plant - MW (60 minutes) | 269 | | | 58 | | |
| 7 | Plant Hours Connected to Load | 3202 | | | 33 | | |
| 8 | Net Continuous Plant Capability (Megawatts) | 154 | | | 67 | | |
| 9 | When Not Limited by Condenser Water | 0 | | | 0 | | |
| 10 | When Limited by Condenser Water | 0 | | | 0 | | |
| 11 | Average Number of Employees | 0 | | | 1 | | |
| 12 | Net Generation, Exclusive of Plant Use - KWh | 396591000 | | | 996000 | | |
| 13 | Cost of Plant: Land and Land Rights | 0 | | | 129664 | | |
| 14 | Structures and Improvements | 7157487 | | | 256673 | | |
| 15 | Equipment Costs | 97370847 | | | 13406292 | | |
| 16 | Asset Retirement Costs | 0 | | | 0 | | |
| 17 | Total Cost | 104528334 | | | 13792629 | | |
| 18 | Cost per KW of Installed Capacity (line 17/5) Including | 728.4204 | | | 223.1817 | | |
| 19 | Production Expenses: Oper, Supv, & Engr | 260558 | | | 432 | | |
| 20 | Fuel | 15495035 | | | 68614 | | |
| 21 | Coolants and Water (Nuclear Plants Only) | 0 | | | 0 | | |
| 22 | Steam Expenses | 0 | | | 0 | | |
| 23 | Steam From Other Sources | 0 | | | 0 | | |
| 24 | Steam Transferred (Cr) | 0 | | | 0 | | |
| 25 | Electric Expenses | 204358 | | | 112640 | | |
| 26 | Misc Steam (or Nuclear) Power Expenses | 0 | | | 447 | | |
| 27 | Rents | 28755 | | | 0 | | |
| 28 | Allowances | 0 | | | 0 | | |
| 29 | Maintenance Supervision and Engineering | 2244 | | | 95942 | | |
| 30 | Maintenance of Structures | 0 | | | 1055 | | |
| 31 | Maintenance of Boiler (or reactor) Plant | 0 | | | 0 | | |
| 32 | Maintenance of Electric Plant | 1013870 | | | 269751 | | |
| 33 | Maintenance of Misc Steam (or Nuclear) Plant | 0 | | | 0 | | |
| 34 | Total Production Expenses | 17004820 | | | 548881 | | |
| 35 | Expenses per Net KWh | 0.0429 | | | 0.5511 | | |
| 36 | Fuel: Kind (Coal, Gas, Oil, or Nuclear) | Gas | | | Gas | | |
| 37 | Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate) | Mcf | | | Mcf | | |
| 38 | Quantity (Units) of Fuel Burned | 2665217 | 0 | 0 | 10930 | 0 | 0 |
| 39 | Avg Heat Cont - Fuel Burned (btu/indicate if nuclear) | 1019000 | 0 | 0 | 1019000 | 0 | 0 |
| 40 | Avg Cost of Fuel/unit, as Delvd f.o.b. during year | 5.810 | 0.000 | 0.000 | 6.280 | 0.000 | 0.000 |
| 41 | Average Cost of Fuel per Unit Burned | 5.810 | 0.000 | 0.000 | 6.280 | 0.000 | 0.000 |
| 42 | Average Cost of Fuel Burned per Million BTU | 5.710 | 0.000 | 0.000 | 6.160 | 0.000 | 0.000 |
| 43 | Average Cost of Fuel Burned per KWh Net Gen | 0.039 | 0.000 | 0.000 | 0.069 | 0.000 | 0.000 |
| 44 | Average BTU per KWh Net Generation | 6848.000 | 0.000 | 0.000 | 11182.000 | 0.000 | 0.000 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)*(Continued)*

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

| Plant Name: *Kettle Falls* (d) | | | Plant Name: *Colstrip* (e) | | | Plant Name: *Rathdrum* (f) | | | Line No. |
|---|---|---|---|---|---|---|---|---|---|
| | | Steam | | | Steam | | | Gas Turbine | 1 |
| | | Conventional | | | Conventional | | | Not Applicable | 2 |
| | | 1983 | | | 1984 | | | 1995 | 3 |
| | | 1983 | | | 1985 | | | 1995 | 4 |
| | | 50.70 | | | 233.40 | | | 166.50 | 5 |
| | | 54 | | | 224 | | | 140 | 6 |
| | | 8045 | | | 8594 | | | 252 | 7 |
| | | 50 | | | 222 | | | 88 | 8 |
| | | 47 | | | 0 | | | 0 | 9 |
| | | 47 | | | 0 | | | 0 | 10 |
| | | 35 | | | 0 | | | 2 | 11 |
| | | 366204000 | | | 1593135000 | | | 19436000 | 12 |
| | | 941300 | | | 1303915 | | | 484415 | 13 |
| | | 24538808 | | | 99726192 | | | 5643 | 14 |
| | | 65950674 | | | 177859188 | | | 4465084 | 15 |
| | | 1114206 | | | 0 | | | 0 | 16 |
| | | 92544988 | | | 278889295 | | | 4955142 | 17 |
| | | 1825.3449 | | | 1194.8984 | | | 29.7606 | 18 |
| | | 117231 | | | 58596 | | | 0 | 19 |
| | | 7016106 | | | 10959960 | | | 1842060 | 20 |
| | | 0 | | | 0 | | | 0 | 21 |
| | | 479564 | | | 1055217 | | | 0 | 22 |
| | | 0 | | | 0 | | | 0 | 23 |
| | | 0 | | | 0 | | | 0 | 24 |
| | | 640859 | | | 51895 | | | 284298 | 25 |
| | | 362586 | | | 1137676 | | | 0 | 26 |
| | | 0 | | | 15952 | | | 4681993 | 27 |
| | | 0 | | | 0 | | | 0 | 28 |
| | | 95544 | | | 227825 | | | 23965 | 29 |
| | | 91961 | | | 365816 | | | 2 | 30 |
| | | 928224 | | | 2694708 | | | 0 | 31 |
| | | 173173 | | | 744792 | | | 198290 | 32 |
| | | 219018 | | | 426457 | | | 0 | 33 |
| | | 10124266 | | | 17738894 | | | 7030608 | 34 |
| | | 0.0276 | | | 0.0111 | | | 0.3617 | 35 |
| Wood | Gas | | Coal | Oil | | Gas | | | 36 |
| Tons | Mcf | | Tons | Bbl | | Mcf | | | 37 |
| 539133 | 7486 | 0 | 1001532 | 3621 | 0 | 240847 | 0 | 0 | 38 |
| 8700000 | 1019000 | 0 | 17154000 | 140000 | 0 | 1019000 | 0 | 0 | 39 |
| 12.920 | 6.510 | 0.000 | 10.750 | 53.920 | 0.000 | 7.650 | 0.000 | 0.000 | 40 |
| 12.920 | 6.510 | 0.000 | 10.750 | 53.920 | 0.000 | 7.650 | 0.000 | 0.000 | 41 |
| 1.490 | 6.390 | 0.000 | 0.626 | 9.100 | 0.000 | 7.510 | 0.000 | 0.000 | 42 |
| 0.019 | 0.072 | 0.000 | 0.007 | 0.000 | 0.000 | 0.095 | 0.000 | 0.000 | 43 |
| 12832.000 | 12832.000 | 0.000 | 10806.000 | 10806.000 | 0.000 | 12627.000 | 0.000 | 0.000 | 44 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

| Line No. | Item (a) | Plant Name: *Boulder Park* (b) | | | Plant Name: (c) | | |
|---|---|---|---|---|---|---|---|
| 1 | Kind of Plant (Internal Comb, Gas Turb, Nuclear | Internal Comb | | | | | |
| 2 | Type of Constr (Conventional, Outdoor, Boiler, etc) | Conventional | | | | | |
| 3 | Year Originally Constructed | 2002 | | | | | |
| 4 | Year Last Unit was Installed | 2002 | | | | | |
| 5 | Total Installed Cap (Max Gen Name Plate Ratings-MW) | 24.60 | | | 0.00 | | |
| 6 | Net Peak Demand on Plant - MW (60 minutes) | 26 | | | 0 | | |
| 7 | Plant Hours Connected to Load | 958 | | | 0 | | |
| 8 | Net Continuous Plant Capability (Megawatts) | 25 | | | 0 | | |
| 9 | When Not Limited by Condenser Water | 0 | | | 0 | | |
| 10 | When Limited by Condenser Water | 0 | | | 0 | | |
| 11 | Average Number of Employees | 2 | | | 0 | | |
| 12 | Net Generation, Exclusive of Plant Use - KWh | 15237000 | | | 0 | | |
| 13 | Cost of Plant: Land and Land Rights | 144733 | | | 0 | | |
| 14 | Structures and Improvements | 724602 | | | 0 | | |
| 15 | Equipment Costs | 30119263 | | | 0 | | |
| 16 | Asset Retirement Costs | 0 | | | 0 | | |
| 17 | Total Cost | 30988598 | | | 0 | | |
| 18 | Cost per KW of Installed Capacity (line 17/5) Including | 1259.6991 | | | 0.0000 | | |
| 19 | Production Expenses: Oper, Supv, & Engr | 162 | | | 0 | | |
| 20 | Fuel | 903864 | | | 0 | | |
| 21 | Coolants and Water (Nuclear Plants Only) | 0 | | | 0 | | |
| 22 | Steam Expenses | 0 | | | 0 | | |
| 23 | Steam From Other Sources | 0 | | | 0 | | |
| 24 | Steam Transferred (Cr) | 0 | | | 0 | | |
| 25 | Electric Expenses | 127344 | | | 0 | | |
| 26 | Misc Steam (or Nuclear) Power Expenses | 0 | | | 0 | | |
| 27 | Rents | 0 | | | 0 | | |
| 28 | Allowances | 0 | | | 0 | | |
| 29 | Maintenance Supervision and Engineering | 79310 | | | 0 | | |
| 30 | Maintenance of Structures | 39163 | | | 0 | | |
| 31 | Maintenance of Boiler (or reactor) Plant | 0 | | | 0 | | |
| 32 | Maintenance of Electric Plant | 205788 | | | 0 | | |
| 33 | Maintenance of Misc Steam (or Nuclear) Plant | 0 | | | 0 | | |
| 34 | Total Production Expenses | 1355631 | | | 0 | | |
| 35 | Expenses per Net KWh | 0.0890 | | | 0.0000 | | |
| 36 | Fuel: Kind (Coal, Gas, Oil, or Nuclear) | Gas | | | | | |
| 37 | Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate) | Mcf | | | | | |
| 38 | Quantity (Units) of Fuel Burned | 146305 | 0 | 0 | 0 | 0 | 0 |
| 39 | Avg Heat Cont - Fuel Burned (btu/indicate if nuclear) | 1019000 | 0 | 0 | 0 | 0 | 0 |
| 40 | Avg Cost of Fuel/unit, as Delvd f.o.b. during year | 6.180 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 41 | Average Cost of Fuel per Unit Burned | 6.180 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 42 | Average Cost of Fuel Burned per Million BTU | 6.060 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 43 | Average Cost of Fuel Burned per KWh Net Gen | 0.059 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 44 | Average BTU per KWh Net Generation | 9784.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)*(Continued)*

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

| Plant Name: (d) | | | Plant Name: (e) | | | Plant Name: (f) | | | Line No. |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |
| | | | | | | | | | 1 |
| | | | | | | | | | 2 |
| | | | | | | | | | 3 |
| | | | | | | | | | 4 |
| 0.00 | | | 0.00 | | | 0.00 | | | 5 |
| 0 | | | 0 | | | 0 | | | 6 |
| 0 | | | 0 | | | 0 | | | 7 |
| 0 | | | 0 | | | 0 | | | 8 |
| 0 | | | 0 | | | 0 | | | 9 |
| 0 | | | 0 | | | 0 | | | 10 |
| 0 | | | 0 | | | 0 | | | 11 |
| 0 | | | 0 | | | 0 | | | 12 |
| 0 | | | 0 | | | 0 | | | 13 |
| 0 | | | 0 | | | 0 | | | 14 |
| 0 | | | 0 | | | 0 | | | 15 |
| 0 | | | 0 | | | 0 | | | 16 |
| 0 | | | 0 | | | 0 | | | 17 |
| 0.0000 | | | 0.0000 | | | 0.0000 | | | 18 |
| 0 | | | 0 | | | 0 | | | 19 |
| 0 | | | 0 | | | 0 | | | 20 |
| 0 | | | 0 | | | 0 | | | 21 |
| 0 | | | 0 | | | 0 | | | 22 |
| 0 | | | 0 | | | 0 | | | 23 |
| 0 | | | 0 | | | 0 | | | 24 |
| 0 | | | 0 | | | 0 | | | 25 |
| 0 | | | 0 | | | 0 | | | 26 |
| 0 | | | 0 | | | 0 | | | 27 |
| 0 | | | 0 | | | 0 | | | 28 |
| 0 | | | 0 | | | 0 | | | 29 |
| 0 | | | 0 | | | 0 | | | 30 |
| 0 | | | 0 | | | 0 | | | 31 |
| 0 | | | 0 | | | 0 | | | 32 |
| 0 | | | 0 | | | 0 | | | 33 |
| 0 | | | 0 | | | 0 | | | 34 |
| 0.0000 | | | 0.0000 | | | 0.0000 | | | 35 |
| | | | | | | | | | 36 |
| | | | | | | | | | 37 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 38 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39 |
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 40 |
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 41 |
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 42 |
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 43 |
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 44 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.
3. If net peak demand for 60 minutes is not available, give that which is available specifying period.
4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.

| Line No. | Item<br>(a) | FERC Licensed Project No. 2545<br>Plant Name: Monroe Street<br>(b) | FERC Licensed Project No. 2545<br>Plant Name: Upper Falls<br>(c) |
|---|---|---|---|
| | | | |
| | | | |
| 1 | Kind of Plant (Run-of-River or Storage) | Run-of-River | Run-of-River |
| 2 | Plant Construction type (Conventional or Outdoor) | Conventional | Conventional |
| 3 | Year Originally Constructed | 1890 | 1922 |
| 4 | Year Last Unit was Installed | 1992 | 1922 |
| 5 | Total installed cap (Gen name plate Rating in MW) | 14.80 | 10.00 |
| 6 | Net Peak Demand on Plant-Megawatts (60 minutes) | 16 | 11 |
| 7 | Plant Hours Connect to Load | 8,718 | 8,677 |
| 8 | Net Plant Capability (in megawatts) | | |
| 9 | (a) Under Most Favorable Oper Conditions | 15 | 10 |
| 10 | (b) Under the Most Adverse Oper Conditions | 10 | 8 |
| 11 | Average Number of Employees | 5 | 6 |
| 12 | Net Generation, Exclusive of Plant Use - Kwh | 98,517,000 | 66,569,000 |
| 13 | Cost of Plant | | |
| 14 | Land and Land Rights | 0 | 1,081,854 |
| 15 | Structures and Improvements | 8,146,667 | 491,800 |
| 16 | Reservoirs, Dams, and Waterways | 8,045,079 | 2,469,707 |
| 17 | Equipment Costs | 12,662,096 | 1,972,999 |
| 18 | Roads, Railroads, and Bridges | 50,448 | 0 |
| 19 | Asset Retirement Costs | 0 | 0 |
| 20 | TOTAL cost (Total of 14 thru 19) | 28,904,290 | 6,016,360 |
| 21 | Cost per KW of Installed Capacity (line 20 / 5) | 1,952.9926 | 601.6360 |
| 22 | Production Expenses | | |
| 23 | Operation Supervision and Engineering | 16,030 | 21,030 |
| 24 | Water for Power | 0 | 0 |
| 25 | Hydraulic Expenses | 9,872 | 9,872 |
| 26 | Electric Expenses | 207,274 | 200,883 |
| 27 | Misc Hydraulic Power Generation Expenses | 46,690 | 41,563 |
| 28 | Rents | 0 | 0 |
| 29 | Maintenance Supervision and Engineering | -985 | 589 |
| 30 | Maintenance of Structures | 0 | 11,468 |
| 31 | Maintenance of Reservoirs, Dams, and Waterways | 180 | 18,946 |
| 32 | Maintenance of Electric Plant | 27,154 | 21,136 |
| 33 | Maintenance of Misc Hydraulic Plant | 5,676 | 1,084 |
| 34 | Total Production Expenses (total 23 thru 33) | 311,891 | 326,571 |
| 35 | Expenses per net KWh | 0.0032 | 0.0049 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."
6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.

| FERC Licensed Project No. 2058<br>Plant Name: Cabinet Gorge<br>(d) | FERC Licensed Project No. 2058<br>Plant Name: Noxon Rapids<br>(e) | FERC Licensed Project No. 2545<br>Plant Name: Long Lake<br>(f) | Line No. |
|---|---|---|---|
| | | | |
| | | | |
| Storage | Storage | Storage | 1 |
| Outdoor | Outdoor | Conventional | 2 |
| 1952 | 1959 | 1915 | 3 |
| 1953 | 1977 | 1924 | 4 |
| 245.10 | 466.20 | 70.00 | 5 |
| 250 | 545 | 88 | 6 |
| 8,760 | 7,333 | 7,197 | 7 |
| | | | 8 |
| 246 | 527 | 88 | 9 |
| 176 | 274 | 80 | 10 |
| 11 | 11 | 8 | 11 |
| 974,485,000 | 1,542,705,000 | 465,248,000 | 12 |
| | | | 13 |
| 7,400,190 | 30,923,726 | 1,598,139 | 14 |
| 8,984,796 | 11,090,542 | 1,558,947 | 15 |
| 17,580,769 | 31,673,879 | 16,400,520 | 16 |
| 34,260,821 | 45,109,027 | 11,763,212 | 17 |
| 1,098,564 | 217,199 | 0 | 18 |
| 0 | 0 | 0 | 19 |
| 69,325,140 | 119,014,373 | 31,320,818 | 20 |
| 282.8443 | 255.2861 | 447.4403 | 21 |
| | | | 22 |
| 80,596 | 162,209 | 73,077 | 23 |
| 0 | 50,471 | 0 | 24 |
| 730,363 | 739,349 | 2,539 | 25 |
| 717,085 | 753,785 | 549,939 | 26 |
| 39,489 | 45,387 | 95,529 | 27 |
| 0 | 0 | 0 | 28 |
| 14,395 | 36,047 | 6,069 | 29 |
| 124,317 | 157,802 | 24,492 | 30 |
| 122,711 | 452,121 | 16,872 | 31 |
| 449,145 | 772,629 | 170,002 | 32 |
| 23,658 | 63,166 | 5,920 | 33 |
| 2,301,759 | 3,232,966 | 944,439 | 34 |
| 0.0024 | 0.0021 | 0.0020 | 35 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.
3. If net peak demand for 60 minutes is not available, give that which is available specifying period.
4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.

| Line No. | Item<br>(a) | FERC Licensed Project No. 2545<br>Plant Name: NIne Mile Falls<br>(b) | FERC Licensed Project No. 2545<br>Plant Name: Post Falls<br>(c) |
|---|---|---|---|
| 1 | Kind of Plant (Run-of-River or Storage) | Run-of-River | Storage |
| 2 | Plant Construction type (Conventional or Outdoor) | Conventional | Conventional |
| 3 | Year Originally Constructed | 1908 | 1906 |
| 4 | Year Last Unit was Installed | 1994 | 1980 |
| 5 | Total installed cap (Gen name plate Rating in MW) | 26.40 | 14.80 |
| 6 | Net Peak Demand on Plant-Megawatts (60 minutes) | 25 | 19 |
| 7 | Plant Hours Connect to Load | 8,750 | 8,760 |
| 8 | Net Plant Capability (in megawatts) | | |
| 9 | (a) Under Most Favorable Oper Conditions | 25 | 18 |
| 10 | (b) Under the Most Adverse Oper Conditions | 12 | 8 |
| 11 | Average Number of Employees | 1 | 1 |
| 12 | Net Generation, Exclusive of Plant Use - Kwh | 122,429,000 | 80,447,000 |
| 13 | Cost of Plant | | |
| 14 | Land and Land Rights | 33,429 | 3,076,554 |
| 15 | Structures and Improvements | 3,922,073 | 611,288 |
| 16 | Reservoirs, Dams, and Waterways | 11,840,543 | 4,054,643 |
| 17 | Equipment Costs | 12,363,796 | 3,275,383 |
| 18 | Roads, Railroads, and Bridges | 625,181 | 0 |
| 19 | Asset Retirement Costs | 0 | 0 |
| 20 | TOTAL cost (Total of 14 thru 19) | 28,785,022 | 11,017,868 |
| 21 | Cost per KW of Installed Capacity (line 20 / 5) | 1,090.3417 | 744.4505 |
| 22 | Production Expenses | | |
| 23 | Operation Supervision and Engineering | 32,807 | 17,967 |
| 24 | Water for Power | 0 | 13,285 |
| 25 | Hydraulic Expenses | 16,344 | 9,867 |
| 26 | Electric Expenses | 326,878 | 337,197 |
| 27 | Misc Hydraulic Power Generation Expenses | 52,355 | 38,505 |
| 28 | Rents | 0 | 0 |
| 29 | Maintenance Supervision and Engineering | 3,620 | 123,866 |
| 30 | Maintenance of Structures | 2,083 | 8,606 |
| 31 | Maintenance of Reservoirs, Dams, and Waterways | 98,252 | 248,691 |
| 32 | Maintenance of Electric Plant | 227,246 | 227,090 |
| 33 | Maintenance of Misc Hydraulic Plant | 18,107 | 370 |
| 34 | Total Production Expenses (total 23 thru 33) | 777,692 | 1,025,444 |
| 35 | Expenses per net KWh | 0.0064 | 0.0127 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."
6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.

| FERC Licensed Project No. 0<br>Plant Name: Little Falls<br>(d) | FERC Licensed Project No. 0<br>Plant Name:<br>(e) | FERC Licensed Project No. 0<br>Plant Name:<br>(f) | Line No. |
|---|---|---|---|
| | | | |
| | | | |
| Run-of-River | | | 1 |
| Conventional | | | 2 |
| 1910 | | | 3 |
| 1911 | | | 4 |
| 32.00 | 0.00 | 0.00 | 5 |
| 37 | 0 | 0 | 6 |
| 7,092 | 0 | 0 | 7 |
| | | | 8 |
| 36 | 0 | 0 | 9 |
| 33 | 0 | 0 | 10 |
| 3 | 0 | 0 | 11 |
| 189,211,000 | 0 | 0 | 12 |
| | | | 13 |
| 4,325,371 | 0 | 0 | 14 |
| 902,086 | 0 | 0 | 15 |
| 4,989,819 | 0 | 0 | 16 |
| 5,725,381 | 0 | 0 | 17 |
| 0 | 0 | 0 | 18 |
| 0 | 0 | 0 | 19 |
| 15,942,657 | 0 | 0 | 20 |
| 498.2080 | 0.0000 | 0.0000 | 21 |
| | | | 22 |
| 29,393 | 0 | 0 | 23 |
| 0 | 0 | 0 | 24 |
| 1,883 | 0 | 0 | 25 |
| 411,673 | 0 | 0 | 26 |
| 23,370 | 0 | 0 | 27 |
| 583,234 | 0 | 0 | 28 |
| 1,819 | 0 | 0 | 29 |
| 8,763 | 0 | 0 | 30 |
| 9,955 | 0 | 0 | 31 |
| 47,672 | 0 | 0 | 32 |
| 1,782 | 0 | 0 | 33 |
| 1,119,544 | 0 | 0 | 34 |
| 0.0059 | 0.0000 | 0.0000 | 35 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.
3. If net peak demand for 60 minutes is not available, give that which is available specifying period.
4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.

| Line No. | Item<br>(a) | FERC Licensed Project No. 0<br>Plant Name:<br>(b) | FERC Licensed Project No. 0<br>Plant Name:<br>(c) |
|---|---|---|---|
| | | | |
| | | | |
| 1 | Kind of Plant (Run-of-River or Storage) | | |
| 2 | Plant Construction type (Conventional or Outdoor) | | |
| 3 | Year Originally Constructed | | |
| 4 | Year Last Unit was Installed | | |
| 5 | Total installed cap (Gen name plate Rating in MW) | 0.00 | 0.00 |
| 6 | Net Peak Demand on Plant-Megawatts (60 minutes) | 0 | 0 |
| 7 | Plant Hours Connect to Load | 0 | 0 |
| 8 | Net Plant Capability (in megawatts) | | |
| 9 | (a) Under Most Favorable Oper Conditions | 0 | 0 |
| 10 | (b) Under the Most Adverse Oper Conditions | 0 | 0 |
| 11 | Average Number of Employees | 0 | 0 |
| 12 | Net Generation, Exclusive of Plant Use - Kwh | 0 | 0 |
| 13 | Cost of Plant | | |
| 14 | Land and Land Rights | 0 | 0 |
| 15 | Structures and Improvements | 0 | 0 |
| 16 | Reservoirs, Dams, and Waterways | 0 | 0 |
| 17 | Equipment Costs | 0 | 0 |
| 18 | Roads, Railroads, and Bridges | 0 | 0 |
| 19 | Asset Retirement Costs | 0 | 0 |
| 20 | TOTAL cost (Total of 14 thru 19) | 0 | 0 |
| 21 | Cost per KW of Installed Capacity (line 20 / 5) | 0.0000 | 0.0000 |
| 22 | Production Expenses | | |
| 23 | Operation Supervision and Engineering | 0 | 0 |
| 24 | Water for Power | 0 | 0 |
| 25 | Hydraulic Expenses | 0 | 0 |
| 26 | Electric Expenses | 0 | 0 |
| 27 | Misc Hydraulic Power Generation Expenses | 0 | 0 |
| 28 | Rents | 0 | 0 |
| 29 | Maintenance Supervision and Engineering | 0 | 0 |
| 30 | Maintenance of Structures | 0 | 0 |
| 31 | Maintenance of Reservoirs, Dams, and Waterways | 0 | 0 |
| 32 | Maintenance of Electric Plant | 0 | 0 |
| 33 | Maintenance of Misc Hydraulic Plant | 0 | 0 |
| 34 | Total Production Expenses (total 23 thru 33) | 0 | 0 |
| 35 | Expenses per net KWh | 0.0000 | 0.0000 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."
6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.

| FERC Licensed Project No. 0<br>Plant Name:<br>(d) | FERC Licensed Project No. 0<br>Plant Name:<br>(e) | FERC Licensed Project No. 0<br>Plant Name:<br>(f) | Line No. |
|---|---|---|---|
| | | | |
| | | | |
| | | | 1 |
| | | | 2 |
| | | | 3 |
| | | | 4 |
| 0.00 | 0.00 | 0.00 | 5 |
| 0 | 0 | 0 | 6 |
| 0 | 0 | 0 | 7 |
| | | | 8 |
| 0 | 0 | 0 | 9 |
| 0 | 0 | 0 | 10 |
| 0 | 0 | 0 | 11 |
| 0 | 0 | 0 | 12 |
| | | | 13 |
| 0 | 0 | 0 | 14 |
| 0 | 0 | 0 | 15 |
| 0 | 0 | 0 | 16 |
| 0 | 0 | 0 | 17 |
| 0 | 0 | 0 | 18 |
| 0 | 0 | 0 | 19 |
| 0 | 0 | 0 | 20 |
| 0.0000 | 0.0000 | 0.0000 | 21 |
| | | | 22 |
| 0 | 0 | 0 | 23 |
| 0 | 0 | 0 | 24 |
| 0 | 0 | 0 | 25 |
| 0 | 0 | 0 | 26 |
| 0 | 0 | 0 | 27 |
| 0 | 0 | 0 | 28 |
| 0 | 0 | 0 | 29 |
| 0 | 0 | 0 | 30 |
| 0 | 0 | 0 | 31 |
| 0 | 0 | 0 | 32 |
| 0 | 0 | 0 | 33 |
| 0 | 0 | 0 | 34 |
| 0.0000 | 0.0000 | 0.0000 | 35 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## GENERATING PLANT STATISTICS (Small Plants)

1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.

| Line No. | Name of Plant (a) | Year Orig. Const. (b) | Installed Capacity Name Plate Rating (In MW) (c) | Net Peak Demand MW (60 min.) (d) | Net Generation Excluding Plant Use (e) | Cost of Plant (f) |
|---|---|---|---|---|---|---|
| 1 | Kettle Falls CT | 2002 | 6.87 | 9.0 | 6,391,000 | 9,169,338 |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | | | | | | |
| 14 | | | | | | |
| 15 | | | | | | |
| 16 | | | | | | |
| 17 | | | | | | |
| 18 | | | | | | |
| 19 | | | | | | |
| 20 | | | | | | |
| 21 | | | | | | |
| 22 | | | | | | |
| 23 | | | | | | |
| 24 | | | | | | |
| 25 | | | | | | |
| 26 | | | | | | |
| 27 | | | | | | |
| 28 | | | | | | |
| 29 | | | | | | |
| 30 | | | | | | |
| 31 | | | | | | |
| 32 | | | | | | |
| 33 | | | | | | |
| 34 | | | | | | |
| 35 | | | | | | |
| 36 | | | | | | |
| 37 | | | | | | |
| 38 | | | | | | |
| 39 | | | | | | |
| 40 | | | | | | |
| 41 | | | | | | |
| 42 | | | | | | |
| 43 | | | | | | |
| 44 | | | | | | |
| 45 | | | | | | |
| 46 | | | | | | |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report (Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

GENERATING PLANT STATISTICS (Small Plants) (Continued)

3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 403. 4. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.

| Plant Cost (Incl Asset Retire. Costs) Per MW (g) | Operation Exc'l. Fuel (h) | Production Expenses Fuel (i) | Production Expenses Maintenance (j) | Kind of Fuel (k) | Fuel Costs (in cents (per Million Btu) (l) | Line No. |
|---|---|---|---|---|---|---|
| 1,334,693 | 57,321 | 453,446 | 111,752 | Nat Gas | 597 | 1 |
| | | | | | | 2 |
| | | | | | | 3 |
| | | | | | | 4 |
| | | | | | | 5 |
| | | | | | | 6 |
| | | | | | | 7 |
| | | | | | | 8 |
| | | | | | | 9 |
| | | | | | | 10 |
| | | | | | | 11 |
| | | | | | | 12 |
| | | | | | | 13 |
| | | | | | | 14 |
| | | | | | | 15 |
| | | | | | | 16 |
| | | | | | | 17 |
| | | | | | | 18 |
| | | | | | | 19 |
| | | | | | | 20 |
| | | | | | | 21 |
| | | | | | | 22 |
| | | | | | | 23 |
| | | | | | | 24 |
| | | | | | | 25 |
| | | | | | | 26 |
| | | | | | | 27 |
| | | | | | | 28 |
| | | | | | | 29 |
| | | | | | | 30 |
| | | | | | | 31 |
| | | | | | | 32 |
| | | | | | | 33 |
| | | | | | | 34 |
| | | | | | | 35 |
| | | | | | | 36 |
| | | | | | | 37 |
| | | | | | | 38 |
| | | | | | | 39 |
| | | | | | | 40 |
| | | | | | | 41 |
| | | | | | | 42 |
| | | | | | | 43 |
| | | | | | | 44 |
| | | | | | | 45 |
| | | | | | | 46 |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

## TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

| Line No. | DESIGNATION From (a) | DESIGNATION To (b) | VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase) Operating (c) | VOLTAGE (KV) Designed (d) | Type of Supporting Structure (e) | LENGTH (Pole miles) (In the case of underground lines report circuit miles) On Structure of Line Designated (f) | LENGTH (Pole miles) On Structures of Another Line (g) | Number Of Circuits (h) |
|---|---|---|---|---|---|---|---|---|
| 1 | Group Sum | | 60.00 | 60.00 | | 1.00 | | |
| 2 | | | | | | | | |
| 3 | Group Sum | | 115.00 | 115.00 | | 1,536.00 | | |
| 4 | | | | | | | | |
| 5 | Beacon Sub #4 | BPA Bell Sub | 230.00 | 230.00 | Steel Tower | 1.00 | | 1 |
| 6 | Beacon Sub | BPA Bell Sub | 230.00 | 230.00 | H Type | 5.00 | | 1 |
| 7 | Beacon Sub #5 | BPA Bell Sub | 230.00 | 230.00 | H Type | 6.00 | | 1 |
| 8 | Beacon | Cabinet Gorge Plant | 230.00 | 230.00 | Steel Tower | | 1.00 | 1 |
| 9 | Beacon | Cabinet Gorge Plant | 230.00 | 230.00 | H Type | 77.00 | | 1 |
| 10 | Beacon Sub | Lolo Sub | 230.00 | 230.00 | Steel Tower | 1.00 | | 1 |
| 11 | Beacon Sub | Lolo Sub | 230.00 | 230.00 | H Type | 108.00 | | 1 |
| 12 | Noxon Plant | Pine Creek Sub | 230.00 | 230.00 | H Type | 43.00 | | 1 |
| 13 | Cabinet Gorge Plant | Noxon | 230.00 | 230.00 | H Type | 19.00 | | 1 |
| 14 | Benewah Sw. Station | Pine Creek Sub | 230.00 | 230.00 | Steel Tower | | | 1 |
| 15 | Benewah Sw. Station | Pine Creek Sub | 230.00 | 230.00 | H Type | 43.00 | | 1 |
| 16 | Divide Creek | Lolo Sub | 230.00 | 230.00 | Steel Tower | | | 1 |
| 17 | Divide Creek | Lolo Sub | 230.00 | 230.00 | H Type | 63.00 | | 1 |
| 18 | N. Lewiston | Walla Walla | 230.00 | 230.00 | Steel Tower | 4.00 | | 1 |
| 19 | N. Lewiston | Walla Walla | 230.00 | 230.00 | H Type | 32.00 | | 1 |
| 20 | N. Lewiston | Shawnee | 230.00 | 230.00 | Steel Tower | 7.00 | | 1 |
| 21 | N. Lewiston | Shawnee | 230.00 | 230.00 | H Type | 27.00 | | 1 |
| 22 | Walla Walla | Wanapum | 230.00 | 230.00 | Alum. | | | 1 |
| 23 | Walla Walla | Wanapum | 230.00 | 230.00 | H Type | 78.00 | | 1 |
| 24 | BPA (Libby) | Noxon Plant | 230.00 | 230.00 | Steel Tower | 1.00 | | 1 |
| 25 | BPA/Hot Springs #1 | Noxon Plant | 230.00 | 230.00 | Steel Tower | 1.00 | | 1 |
| 26 | BPA/Hot Springs #2 | Noxon Plant (dead) | 230.00 | 230.00 | Steel Tower | | 2.00 | 1 |
| 27 | BPA/Hot Springs #2 | Noxon Plant | 230.00 | 230.00 | H Type | 68.00 | | 1 |
| 28 | BPA Line | West Side Sub | 230.00 | 230.00 | Steel Pole | 4.00 | | 2 |
| 29 | Hatwai | N. Lewiston Sub | 230.00 | 230.00 | H Type | 7.00 | | 1 |
| 30 | Divide Creek | Imnaha | 230.00 | 230.00 | H Type | 20.00 | | 1 |
| 31 | Colstrip Plant | Broadview | 500.00 | 500.00 | | | | |
| 32 | | | | | | | | |
| 33 | | | | | | | | |
| 34 | | | | | | | | |
| 35 | | | | | | | | |
| 36 | | | | | TOTAL | 2,152.00 | 3.00 | 27 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

| Size of Conductor and Material (i) | COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way) | | | EXPENSES, EXCEPT DEPRECIATION AND TAXES | | | | Line No. |
|---|---|---|---|---|---|---|---|---|
| | Land (j) | Construction and Other Costs (k) | Total Cost (l) | Operation Expenses (m) | Maintenance Expenses (n) | Rents (o) | Total Expenses (p) | |
| | 136,038 | 70,092 | 206,130 | | 1,664 | | 1,664 | 1 |
| | | | | | | | | 2 |
| | 6,087,368 | 72,105,432 | 78,192,800 | 181,774 | 326,686 | 13,031 | 521,491 | 3 |
| | | | | | | | | 4 |
| 795 McMACSR | | | | | | | | 5 |
| 1272 McMACSR | 17,912 | 309,929 | 327,841 | | | | | 6 |
| 1272 McMAL | 30,323 | 392,837 | 423,160 | | | | | 7 |
| 795 McMACSR | | | | | | | | 8 |
| 795 McMACSR | 260,607 | 14,001,771 | 14,262,378 | 694 | 90,879 | 8,639 | 100,212 | 9 |
| 795 McMACSR | | | | | | | | 10 |
| 1272 McMAL | 456,162 | 4,290,837 | 4,746,999 | 2,504 | 24,432 | | 26,936 | 11 |
| 954 McMAL | 105,647 | 14,749,695 | 14,855,342 | 11,436 | 245,546 | 11,415 | 268,397 | 12 |
| 954 McMAL | 49,049 | 1,066,610 | 1,115,659 | 197 | 7,191 | 1,594 | 8,982 | 13 |
| 954 McMAL | | | | | | | | 14 |
| 954 McMAL | 157,193 | 2,323,709 | 2,480,902 | 1,856 | 3,807 | 103 | 5,766 | 15 |
| 1272 McMAL | | | | | | | | 16 |
| 1272 McMAL | 86,228 | 3,548,205 | 3,634,433 | 892 | | 680 | 1,572 | 17 |
| 1272 McMAL | | | | | | | | 18 |
| 1272 McMAL | 620,175 | 3,646,402 | 4,266,577 | 3,890 | 839 | | 4,729 | 19 |
| 1272 McMAL | | | | | | | | 20 |
| 1272 McMAL | 872,150 | 7,550,203 | 8,422,353 | | 550 | | 550 | 21 |
| 1272 McMAL | | | | | | | | 22 |
| 1272 McMAL | 70,781 | 2,201,213 | 2,271,994 | 2,303 | 18,247 | | 20,550 | 23 |
| 1272 McMAL | | | | | | | | 24 |
| 1272 McMAL | | 18,143 | 18,143 | | | | | 25 |
| 1272 McMAL | | | | | | | | 26 |
| 1272 McMAL | 144,638 | 3,283,337 | 3,427,975 | | 20,058 | 3,648 | 23,706 | 27 |
| 1272 McMAL | 36,461 | 587,224 | 623,685 | | | | | 28 |
| 1272 McMACSR | 106,581 | 1,549,898 | 1,656,479 | | | | | 29 |
| 1272McMAL | 60,302 | 1,284,858 | 1,345,160 | | | | | 30 |
| | 595,789 | 28,260,542 | 28,856,331 | | | | | 31 |
| | | | | | | | | 32 |
| | | | | | | | | 33 |
| | | | | | | | | 34 |
| | | | | | | | | 35 |
| | 9,893,404 | 161,240,937 | 171,134,341 | 205,546 | 739,899 | 39,110 | 984,555 | 36 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## TRANSMISSION LINES ADDED DURING YEAR

1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.
2. Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of competed construction are not readily available for reporting columns (l) to (o), it is permissible to report in these columns the

| Line No. | LINE DESIGNATION | | Line Length in Miles | SUPPORTING STRUCTURE | | CIRCUITS PER STRUCTURE | |
|---|---|---|---|---|---|---|---|
| | From<br>(a) | To<br>(b) | (c) | Type<br>(d) | Average Number per Miles<br>(e) | Present<br>(f) | Ultimate<br>(g) |
| 1 | | | | | | | |
| 2 | | | | | | | |
| 3 | | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | | | | | | | |
| 7 | | | | | | | |
| 8 | | | | | | | |
| 9 | | | | | | | |
| 10 | | | | | | | |
| 11 | | | | | | | |
| 12 | | | | | | | |
| 13 | | | | | | | |
| 14 | | | | | | | |
| 15 | | | | | | | |
| 16 | | | | | | | |
| 17 | | | | | | | |
| 18 | | | | | | | |
| 19 | | | | | | | |
| 20 | | | | | | | |
| 21 | | | | | | | |
| 22 | | | | | | | |
| 23 | | | | | | | |
| 24 | | | | | | | |
| 25 | | | | | | | |
| 26 | | | | | | | |
| 27 | | | | | | | |
| 28 | | | | | | | |
| 29 | | | | | | | |
| 30 | | | | | | | |
| 31 | | | | | | | |
| 32 | | | | | | | |
| 33 | | | | | | | |
| 34 | | | | | | | |
| 35 | | | | | | | |
| 36 | | | | | | | |
| 37 | | | | | | | |
| 38 | | | | | | | |
| 39 | | | | | | | |
| 40 | | | | | | | |
| 41 | | | | | | | |
| 42 | | | | | | | |
| 43 | | | | | | | |
| 44 | TOTAL | | | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

TRANSMISSION LINES ADDED DURING YEAR (Continued)

costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).

3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.

| CONDUCTORS | | | Voltage | LINE COST | | | | | Line |
|---|---|---|---|---|---|---|---|---|---|
| Size (h) | Specification (i) | Configuration and Spacing (j) | KV (Operating) (k) | Land and Land Rights (l) | Poles, Towers and Fixtures (m) | Conductors and Devices (n) | Asset Retire. Costs (o) | Total (p) | No. |
| | | | | | | | | | 1 |
| | | | | | | | | | 2 |
| | | | | | | | | | 3 |
| | | | | | | | | | 4 |
| | | | | | | | | | 5 |
| | | | | | | | | | 6 |
| | | | | | | | | | 7 |
| | | | | | | | | | 8 |
| | | | | | | | | | 9 |
| | | | | | | | | | 10 |
| | | | | | | | | | 11 |
| | | | | | | | | | 12 |
| | | | | | | | | | 13 |
| | | | | | | | | | 14 |
| | | | | | | | | | 15 |
| | | | | | | | | | 16 |
| | | | | | | | | | 17 |
| | | | | | | | | | 18 |
| | | | | | | | | | 19 |
| | | | | | | | | | 20 |
| | | | | | | | | | 21 |
| | | | | | | | | | 22 |
| | | | | | | | | | 23 |
| | | | | | | | | | 24 |
| | | | | | | | | | 25 |
| | | | | | | | | | 26 |
| | | | | | | | | | 27 |
| | | | | | | | | | 28 |
| | | | | | | | | | 29 |
| | | | | | | | | | 30 |
| | | | | | | | | | 31 |
| | | | | | | | | | 32 |
| | | | | | | | | | 33 |
| | | | | | | | | | 34 |
| | | | | | | | | | 35 |
| | | | | | | | | | 36 |
| | | | | | | | | | 37 |
| | | | | | | | | | 38 |
| | | | | | | | | | 39 |
| | | | | | | | | | 40 |
| | | | | | | | | | 41 |
| | | | | | | | | | 42 |
| | | | | | | | | | 43 |
| | | | | | | | | | 44 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

| Line No. | Name and Location of Substation<br>(a) | Character of Substation<br>(b) | VOLTAGE (In MVa)<br>Primary<br>(c) | Secondary<br>(d) | Tertiary<br>(e) |
|---|---|---|---|---|---|
| 1 | STATE OF WASHINGTON | | | | |
| 2 | | | | | |
| 3 | Airway Heights | Distr. Unattended | 115.00 | 13.80 | |
| 4 | Barker Road | Distr. Unattended | 110.00 | 13.80 | |
| 5 | Beacon | Trnsm & Dist Unattd | 230.00 | 115.00 | 13.80 |
| 6 | Chester | Distr. Unattended | 115.00 | 13.80 | |
| 7 | Chewelah 115Kv | Distr. Unattended | 115.00 | 13.80 | |
| 8 | Colbert | Distr. Unattended | 115.00 | 13.80 | |
| 9 | College & Walnut | Distr. Unattended | 115.00 | 13.80 | |
| 10 | Colville 115Kv | Distr. Unattended | 115.00 | 13.80 | |
| 11 | Dry Gulch | Distr. Unattended | 115.00 | 13.80 | |
| 12 | East Colfax | Distr. Unattended | 115.00 | 13.80 | |
| 13 | East Farms | Distr. Unattended | 115.00 | 13.80 | |
| 14 | Fort Wright | Distr. Unattended | 115.00 | 13.80 | |
| 15 | Francis and Cedar | Distr. Unattended | 115.00 | 13.80 | |
| 16 | Gifford | Distr. Unattended | 115.00 | 34.00 | |
| 17 | Glenrose | Distr. Unattended | 115.00 | 13.80 | |
| 18 | Greenwood | Distr. Unattended | 115.00 | 13.80 | |
| 19 | Industrial Park | Distr. Unattended | 115.00 | 13.80 | |
| 20 | Kettle Falls | Distr. Unattended | 115.00 | 13.80 | |
| 21 | Lee & Reynolds | Distr. Unattended | 115.00 | 13.80 | |
| 22 | Liberty Lake | Distr. Unattended | 115.00 | 13.80 | |
| 23 | Little Falls 115/34Kv | Distr. Unattended | 115.00 | 34.00 | |
| 24 | Lyons & Standard | Distr. Unattended | 115.00 | 13.80 | |
| 25 | Mead | Distr. Unattended | 115.00 | 13.80 | |
| 26 | Metro | Distr. Unattended | 115.00 | 13.80 | |
| 27 | Milan | Distr. Unattended | 115.00 | 13.80 | |
| 28 | Millwood | Trnsm & Dist Unattd | 115.00 | 60.00 | 13.80 |
| 29 | Ninth & Central | Distr. Unattended | 115.00 | 13.80 | |
| 30 | Northeast | Distr. Unattended | 115.00 | 13.80 | |
| 31 | Northwest | Distr. Unattended | 115.00 | 13.80 | |
| 32 | Opportunity | Dist & Whrs Unattnd | 115.00 | 13.80 | |
| 33 | Othello | Distr. Unattended | 115.00 | 13.80 | |
| 34 | Post Street | Distr. Unattended | 115.00 | 13.80 | |
| 35 | Pound Lane | Distr. Unattended | 115.00 | 13.80 | |
| 36 | Pullman | Dist Unattended | 115.00 | 13.80 | |
| 37 | Ross Park | Distr. Unattended | 115.00 | 13.80 | |
| 38 | Roxboro | Distr. Unattended | 115.00 | 24.00 | |
| 39 | Shawnee | Trans. Unattended | 230.00 | 115.00 | |
| 40 | Silver Lake | Distr. Unattended | 115.00 | 13.80 | |

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

| Capacity of Substation (In Service) (In MVa)<br>(f) | Number of Transformers In Service<br>(g) | Number of Spare Transformers<br>(h) | CONVERSION APPARATUS AND SPECIAL EQUIPMENT<br>Type of Equipment<br>(i) | Number of Units<br>(j) | Total Capacity (In MVa)<br>(k) | Line No. |
|---|---|---|---|---|---|---|
| | | | | | | 1 |
| | | | | | | 2 |
| 24 | 2 | | Frcd Oil & Air Fan | 2 | 40 | 3 |
| 12 | 1 | | Two Stage Fan | 1 | 20 | 4 |
| 536 | 4 | | Frcd Oil & Air Fan | 4 | 560 | 5 |
| 24 | 2 | | Frcd Oil & Air Fan | 2 | 40 | 6 |
| 15 | 3 | | Frcd Air | 3 | 15 | 7 |
| 12 | 1 | | Frcd Oil & Air Fan | 1 | 20 | 8 |
| 36 | 2 | | Two Stage Fan | 2 | 60 | 9 |
| 31 | 3 | | Frcd Oil & Air Fan | 3 | 45 | 10 |
| 24 | 2 | | Frcd Oil & Air Fan | 2 | 40 | 11 |
| 12 | 1 | | FrOil/Air Fan | 1 | 20 | 12 |
| 12 | 1 | | Two Stage Fan | 1 | 20 | 13 |
| 24 | 2 | | Fr Oil/Air/2StgFan | 2 | 40 | 14 |
| 60 | 2 | | Frcd Air Fan | 2 | 36 | 15 |
| 12 | 1 | | | | | 16 |
| 12 | 1 | | Frcd Oil & Air Fan | 1 | 20 | 17 |
| 13 | 4 | 1 | FrOil/Air/Two Stage | 4 | 22 | 18 |
| 28 | 3 | | Two Stg/Pt/Frcd Oil | 40 | 40 | 19 |
| 12 | 1 | | Frcd Oil & Air Fan | 1 | 20 | 20 |
| 12 | 1 | | Two Stage Fan | 1 | 20 | 21 |
| 24 | 2 | | Two Stage Fan | 2 | 40 | 22 |
| 12 | 1 | | | | | 23 |
| 36 | 2 | | Two Stage Fan | 2 | 60 | 24 |
| 18 | 1 | | Two Stage Fan | 1 | 30 | 25 |
| 24 | 2 | | Two Stage Fan | 2 | 40 | 26 |
| 12 | 1 | | Frcd Oil & Air Fan | 1 | 20 | 27 |
| 44 | 3 | 1 | FrcAir/FrcOil/AirFan | 3 | 61 | 28 |
| 24 | 2 | 1 | Frcd & Two Stage Fan | 2 | 40 | 29 |
| 24 | 2 | | Two Stage Fan | 2 | 40 | 30 |
| 24 | 2 | | Two Stage Fan | 2 | 40 | 31 |
| 24 | 2 | | Two Stage Fan | 2 | 40 | 32 |
| 24 | 2 | | FrOil/AirFan | 2 | 40 | 33 |
| 92 | 5 | 3 | Frcd Oil & Wt Fan | 5 | 93 | 34 |
| 24 | 2 | | Two Stage Fan | 2 | 40 | 35 |
| 24 | 2 | | Frcd Oil & Air Fan | 2 | 40 | 36 |
| 30 | 2 | | Two Stage Fan | 2 | 60 | 37 |
| 24 | 2 | | Two Stage Fan | 2 | 40 | 38 |
| 250 | 1 | | | | | 39 |
| 12 | 1 | | Frcd Oil & Air Fan | 1 | 20 | 40 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

| Line No. | Name and Location of Substation (a) | Character of Substation (b) | VOLTAGE (In MVa) Primary (c) | Secondary (d) | Tertiary (e) |
|---|---|---|---|---|---|
| 1 | Southeast | Distr. Unattended | 115.00 | 13.80 | |
| 2 | South Othello | Distr. Unattended | 115.00 | 13.80 | |
| 3 | South Pullman | Distr. Unattended | 115.00 | 13.80 | |
| 4 | Sunset | Distr. Unattended | 115.00 | 13.80 | |
| 5 | Third & Hatch | Distr. Unattended | 115.00 | 13.80 | |
| 6 | Waikiki | Distr. Unattended | 115.00 | 13.80 | |
| 7 | West Side | Trans. Unattended | 230.00 | 115.00 | 13.80 |
| 8 | Other: 74 substa less than 10MVA | Distr. Unattended | | | |
| 9 | | | | | |
| 10 | STATE OF IDAHO | | | | |
| 11 | Appleway | Dist & Trfr Unattnd | 115.00 | 13.80 | |
| 12 | Benewah | Trans. Unattended | 230.00 | 115.00 | 13.80 |
| 13 | Big Creek | Distr. Unattended | 115.00 | 13.80 | |
| 14 | Blue Creek | Distr. Unattended | 115.00 | 13.80 | |
| 15 | Bunker Hill | Distr. Unattended | 115.00 | 13.80 | |
| 16 | Clark Fork | Distr. Unattended | 115.00 | 21.80 | |
| 17 | Coeur d'Alene 15th Ave | Distr. Unattended | 115.00 | 13.80 | |
| 18 | Cottonwood | Distr. Unattended | 115.00 | 24.90 | |
| 19 | Dalton | Distr. Unattended | 115.00 | 13.80 | |
| 20 | Grangeville | Dist & Trfr Unattnd | 115.00 | 13.80 | |
| 21 | Holbrook | Distr. Unattended | 115.00 | 13.80 | |
| 22 | Huetter | Distr. Unattended | 115.00 | 13.80 | |
| 23 | Juliaetta | Distr. Unattended | 115.00 | 13.80 | |
| 24 | Kamiah | Dist & Trfr Unattnd | 115.00 | 13.80 | |
| 25 | Kooskia | Distr. Unattended | 115.00 | 13.80 | |
| 26 | Lolo | Tran & Dist Unattnd | 230.00 | 115.00 | 13.80 |
| 27 | Moscow | Distr. Unattended | 115.00 | 13.80 | |
| 28 | Moscow 230Kv | Tran & Dist Unattnd | 230.00 | 115.00 | 13.80 |
| 29 | North Moscow | Distr. Unattended | 115.00 | 13.80 | |
| 30 | North Lewiston | Trans Unattended | 230.00 | 115.00 | 13.80 |
| 31 | North Lewiston | Distr. Unattended | 115.00 | 13.80 | |
| 32 | Oden | Distr. Unattended | 115.00 | 21.80 | |
| 33 | Oldtown | Distr. Unattended | 115.00 | 21.80 | |
| 34 | Orofino | Distr. Unattended | 115.00 | 13.80 | |
| 35 | Osburn | Distr. Unattended | 115.00 | 13.80 | |
| 36 | Pine Creek | Tran & Dist Unattnd | 230.00 | 110.00 | 13.80 |
| 37 | Pleasant View | Distr. Unattended | 115.00 | 13.80 | |
| 38 | Post Falls | Distr. Unattended | 115.00 | 13.80 | |
| 39 | Potlatch | Dist & Trfr Unattnd | 115.00 | 13.80 | |
| 40 | Prarie | Distr. Unattended | 115.00 | 13.80 | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

| Capacity of Substation (In Service) (In MVa) (f) | Number of Transformers In Service (g) | Number of Spare Transformers (h) | CONVERSION APPARATUS AND SPECIAL EQUIPMENT Type of Equipment (i) | Number of Units (j) | Total Capacity (In MVa) (k) | Line No. |
|---|---|---|---|---|---|---|
| 30 | 2 | | Two Stage Fan | 2 | 50 | 1 |
| 12 | 1 | | Two Stage Fan | 1 | 20 | 2 |
| 30 | 2 | | Two Stage Fan | 240 | 50 | 3 |
| 35 | 4 | 1 | Pt. & Two Stage Fan | 4 | 50 | 4 |
| 54 | 3 | | Two Stg Fan & Cap | 103 | 90 | 5 |
| 24 | 2 | | Two Stage Fan | 2 | 40 | 6 |
| 250 | 2 | | | | | 7 |
| 197 | 144 | 1 | | | | 8 |
| | | | | | | 9 |
| | | | | | | 10 |
| 30 | 2 | | Two Stage Fan | 2 | 50 | 11 |
| 125 | 1 | | | | | 12 |
| 18 | 2 | | Portable Fan | 2 | 22 | 13 |
| 20 | 3 | 1 | | | | 14 |
| 22 | 1 | | Frcd Air Fan | 1 | 26 | 15 |
| 10 | 1 | | Frcd Air Fan | 1 | 13 | 16 |
| 36 | 2 | | Two Stage Fan | 2 | 60 | 17 |
| 12 | 1 | | Two Stage Fan | 1 | 20 | 18 |
| 24 | 2 | | FrcOil/Air2StgFan | 2 | 40 | 19 |
| 25 | 4 | | FrcdOil/Air/Pt Fan | 2 | 34 | 20 |
| 12 | 1 | | Two Stage Fan | 1 | 20 | 21 |
| 12 | 1 | | Two Stage Fan | 1 | 20 | 22 |
| 12 | 1 | | Frcd Oil & Air Fan | 1 | 20 | 23 |
| 12 | 1 | | Two Stage Fan | 1 | 20 | 24 |
| 15 | 3 | | Frcd Air Fan | 2 | 20 | 25 |
| 270 | 3 | | Frcd Oil/Air/Two Stg | 1 | 262 | 26 |
| 24 | 2 | | FrOil/Air/2Stg Fan | 2 | 40 | 27 |
| 137 | 2 | 1 | Capacitors | 80 | 182 | 28 |
| 12 | 1 | | Two Stage Fan | 1 | 20 | 29 |
| 250 | 1 | 1 | Frcd Oil/Air&Cptrs | 81 | 295 | 30 |
| 10 | 3 | | | | | 31 |
| 10 | 1 | | Frcd Air Fan | | 13 | 32 |
| 10 | 1 | | Frcd Air Fan | 1 | 13 | 33 |
| 20 | 2 | | Frcd Oil & Air Fan | 1 | 28 | 34 |
| 12 | 1 | | Portable Fan | 1 | 15 | 35 |
| 262 | 3 | | Capacitors | 80 | 307 | 36 |
| 12 | 1 | | Two Stage Fan | 1 | 20 | 37 |
| 18 | 1 | | Two Stage Fan | 1 | 30 | 38 |
| 15 | 2 | | Portable Fan | 2 | 19 | 39 |
| 12 | 1 | | Frcd Oil & Air Fan | 1 | 20 | 40 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

| Line No. | Name and Location of Substation<br>(a) | Character of Substation<br>(b) | VOLTAGE (In MVa)<br>Primary<br>(c) | <br>Secondary<br>(d) | <br>Tertiary<br>(e) |
|---|---|---|---|---|---|
| 1 | Priest River | Distr. Unattended | 115.00 | 20.80 | |
| 2 | Sandpoint | Distr. Unattended | 115.00 | 20.80 | |
| 3 | South Lewiston | Distr. Unattended | 115.00 | 13.80 | |
| 4 | Sweetwater | Distr. Unattended | 115.00 | 24.00 | |
| 5 | St. Maries | Distr. Unattended | 115.00 | 24.00 | |
| 6 | Tenth & Stewart | Distr. Unattended | 115.00 | 13.80 | |
| 7 | Wallace | Dist & Whse Unattnd | 115.00 | 13.80 | |
| 8 | Rathdrum | Tran & Dist Unattnd | 230.00 | 115.00 | 13.80 |
| 9 | Other: 29 substa less than 10 MVA | Distr. Unattended | | | |
| 10 | | | | | |
| 11 | STATE OF MONTANA | | | | |
| 12 | 1 substation less than 10 MVA | Distr. Unattended | | | |
| 13 | | | | | |
| 14 | SUBSTA. @ GENERATING PLANTS | | | | |
| 15 | STATE OF WASHINGTON | | | | |
| 16 | Boulder Park | Trans Step-Up | 115.00 | 13.80 | |
| 17 | Kettle Falls | Trans Step-Up | 115.00 | 13.80 | |
| 18 | Long Lake | Trans. | 115.00 | 4.00 | 4.00 |
| 19 | Nine Mile | Trns Step-Up & Dist | 115.00 | 60.00 | 2.30 |
| 20 | Little Falls | Trans. | 115.00 | 4.00 | |
| 21 | Northeast | Trans. Step-Up | 115.00 | 13.80 | |
| 22 | | | | | |
| 23 | STATE OF IDAHO | | | | |
| 24 | Cabinet Gorge (Switchyard) | | 230.00 | 115.00 | 13.80 |
| 25 | Cabinet Gorge (HED) | Trans. Step-Up | 230.00 | 13.80 | |
| 26 | Post Falls | Trans. Step-Up | 115.00 | 2.30 | |
| 27 | Rathdrum | Trans. Step-Up | 115.00 | 13.80 | |
| 28 | | | | | |
| 29 | STATE OF MONTANA | | | | |
| 30 | Noxon | Trans. Step-Up | 230.00 | 13.80 | |
| 31 | | | | | |
| 32 | SUMMARY: | | | | |
| 33 | Washington: | | | | |
| 34 | 8 subs | Trans. Unattended | | | |
| 35 | 114 subs | Distr. Unattended | | | |
| 36 | 3 subs | Tran & Dist Unattnd | | | |
| 37 | Idaho: | | | | |
| 38 | 6 subs | Trans. Unattended | | | |
| 39 | 56 subs | Distr. Unattended | | | |
| 40 | 9 subs | Tran & Dist Unattnd | | | |

| Name of Respondent<br>Avista Corp. | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec. 31, 2003 |
|---|---|---|---|

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

| Capacity of Substation (In Service) (In MVa)<br>(f) | Number of Transformers In Service<br>(g) | Number of Spare Transformers<br>(h) | CONVERSION APPARATUS AND SPECIAL EQUIPMENT<br>Type of Equipment<br>(i) | Number of Units<br>(j) | Total Capacity (In MVa)<br>(k) | Line No. |
|---|---|---|---|---|---|---|
| 10 | 1 | 1 | Frcd Air Fan | 1 | 13 | 1 |
| 30 | 3 | | Frcd Air Fan | 3 | 38 | 2 |
| 27 | 4 | | Port Fan/FrcdOil/Air | 4 | 39 | 3 |
| 12 | 1 | | Frcd Oil & Air Fan | 1 | 20 | 4 |
| 24 | 2 | | Two Stage Fan | 2 | 40 | 5 |
| 30 | 2 | | Frcd Oil/Air/Two Stg | 2 | 50 | 6 |
| 10 | 3 | | | | | 7 |
| 462 | 3 | | FrcdOil/AirFan/Cptrs | 243 | 470 | 8 |
| 76 | 47 | | | | | 9 |
| | | | | | | 10 |
| | | | | | | 11 |
| 5 | 1 | | | | | 12 |
| | | | | | | 13 |
| | | | | | | 14 |
| | | | | | | 15 |
| 36 | 1 | | Two Stage Fan | 1 | 60 | 16 |
| 30 | 1 | | Two Stage Fan | 1 | 62 | 17 |
| 80 | 4 | 1 | | | | 18 |
| 18 | 2 | | Frcd Oil & Air Fan | 1 | 40 | 19 |
| 24 | 2 | | Frcd Oil & Air Fan | 2 | 40 | 20 |
| 36 | 1 | | Two Stage Fan | 1 | 60 | 21 |
| | | | | | | 22 |
| | | | | | | 23 |
| 125 | 1 | | 2 stage fan | 1 | 13 | 24 |
| 30 | 6 | 1 | Frcd Oil and Air Fan | 2 | 30 | 25 |
| 16 | 2 | | Frcd Air/Oil/Air Fan | 2 | 21 | 26 |
| 114 | 2 | 3 | Two Stage Fan | 2 | 190 | 27 |
| | | | | | | 28 |
| | | | | | | 29 |
| 532 | 9 | 1 | Frcd Oil Air | 6 | 555 | 30 |
| | | | | | | 31 |
| | | | | | | 32 |
| | | | | | | 33 |
| 724 | | | | | | 34 |
| 1186 | | | | | | 35 |
| 604 | | | | | | 36 |
| | | | | | | 37 |
| 660 | | | | | | 38 |
| 530 | | | | | | 39 |
| 1222 | | | | | | 40 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

| Line No. | Name and Location of Substation (a) | Character of Substation (b) | VOLTAGE (In MVa) Primary (c) | Secondary (d) | Tertiary (e) |
|---|---|---|---|---|---|
| 1 | Montana: 1 sub | Trans. Unattended | | | |
| 2 | 1 sub | Distr. Unattended | | | |
| 3 | System: 198 subs | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |
| 9 | | | | | |
| 10 | | | | | |
| 11 | | | | | |
| 12 | | | | | |
| 13 | | | | | |
| 14 | | | | | |
| 15 | | | | | |
| 16 | | | | | |
| 17 | | | | | |
| 18 | | | | | |
| 19 | | | | | |
| 20 | | | | | |
| 21 | | | | | |
| 22 | | | | | |
| 23 | | | | | |
| 24 | | | | | |
| 25 | | | | | |
| 26 | | | | | |
| 27 | | | | | |
| 28 | | | | | |
| 29 | | | | | |
| 30 | | | | | |
| 31 | | | | | |
| 32 | | | | | |
| 33 | | | | | |
| 34 | | | | | |
| 35 | | | | | |
| 36 | | | | | |
| 37 | | | | | |
| 38 | | | | | |
| 39 | | | | | |
| 40 | | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) [X] An Original<br>(2) [ ] A Resubmission | 04/30/2004 | Dec. 31, 2003 |

## SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

| Capacity of Substation (In Service) (In MVa) (f) | Number of Transformers In Service (g) | Number of Spare Transformers (h) | CONVERSION APPARATUS AND SPECIAL EQUIPMENT: Type of Equipment (i) | Number of Units (j) | Total Capacity (In MVa) (k) | Line No. |
|---|---|---|---|---|---|---|
| 533 | | | | | | 1 |
| 5 | | | | | | 2 |
| 5464 | | | | | | 3 |
| | | | | | | 4 |
| | | | | | | 5 |
| | | | | | | 6 |
| | | | | | | 7 |
| | | | | | | 8 |
| | | | | | | 9 |
| | | | | | | 10 |
| | | | | | | 11 |
| | | | | | | 12 |
| | | | | | | 13 |
| | | | | | | 14 |
| | | | | | | 15 |
| | | | | | | 16 |
| | | | | | | 17 |
| | | | | | | 18 |
| | | | | | | 19 |
| | | | | | | 20 |
| | | | | | | 21 |
| | | | | | | 22 |
| | | | | | | 23 |
| | | | | | | 24 |
| | | | | | | 25 |
| | | | | | | 26 |
| | | | | | | 27 |
| | | | | | | 28 |
| | | | | | | 29 |
| | | | | | | 30 |
| | | | | | | 31 |
| | | | | | | 32 |
| | | | | | | 33 |
| | | | | | | 34 |
| | | | | | | 35 |
| | | | | | | 36 |
| | | | | | | 37 |
| | | | | | | 38 |
| | | | | | | 39 |
| | | | | | | 40 |

**Schedule Page: 103 Line No.: 25 Column: d**

In 2003, assets previously held by Avista Labs were aquired by AVLB, Inc. Avista Labs owns 17.5 percent of AVLB, Inc.

**Schedule Page: 103.1 Line No.: 23 Column: d**

Indirectly controlled by the Respondent owned by Pentzer Corporation, a wholly owned Avista Capital Subsidiary. See Avista Capital and Pentzer Corporation listings on page 103.

**Schedule Page: 103.2 Line No.: 18 Column: d**

51% owned by Cogentrix, Inc.

**Schedule Page: 103.2 Line No.: 21 Column: d**

50% owned by Mirant Americas Development, Inc.

***Schedule Page: 219 Line No.: 3 Column: c***

Interest credits under sinking fund method (on Hydro plant only) is $4,945,725.72

***Schedule Page: 219 Line No.: 12 Column: c***

The difference between FERC FORM 1 page 219 for "Book Cost of Plant Retired" and pages 204-207 is $106,094. Page 219 only shows retirements for account 108, Accumulated Provision for Depreciation of Electric Utility Plant, whereas pages 204-207 include account 111, Accumulated Provision for Amortization of Electric Utility Plant.

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year of Report |
|---|---|---|---|
| Avista Corp. | (1) X An Original<br>(2) _ A Resubmission | 04/30/2004 | Dec 31, 2003 |

FOOTNOTE DATA

***Schedule Page: 227 Line No.: 1 Column: d***

Electric

***Schedule Page: 227 Line No.: 5 Column: d***

***Schedule Page: 227 Line No.: 7 Column: d***

***Schedule Page: 227 Line No.: 8 Column: d***

***Schedule Page: 227 Line No.: 9 Column: d***

Electric.

***Schedule Page: 227 Line No.: 10 Column: d***

Electric, gas & miscellaneous.

***Schedule Page: 233.1 Line No.: 7 Column: b***

Misc. Work Order < $50,000 - Beginning balance for 2003 is $75,798 less than ending balance for 2002, due to the addition of line 35 (Care - California for $36,008) and line 46 (Shareholder Lawsuit 2002 for $39,790.) When line 35 and line 46 are added together, they equal $75,798.

| Name of Respondent<br>Avista Corp. | This Report is:<br>(1) X An Original<br>(2) _ A Resubmission | Date of Report (Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec 31, 2003 |
|---|---|---|---|

FOOTNOTE DATA

**Schedule Page: 261 Line No.: 5 Column: b**

| | |
|---|---|
| BPA C&RD Receipts | 180 |
| Contributions in Aid of Construction - Electric | 3,978,929 |
| Contributions in Aid of Construction - Gas | 315,446 |
| Contributions in Aid of Construction -- OR | 26,224 |
| Contributions in Aid of Construction -- CA | 4,142 |
| Customer Uncollectibles - WA/ID | (286,005) |
| Customer Uncollectibles - OR/CA | (121,125) |
| BETC Interest | 10,246 |
| Transportation Tax Depreciation Capitalized - WA/ID | 997,200 |
| Transportation Tax Depreciation Capitalized - OR/CA | 23,040 |
| **Taxable income Not Reported on Books** | **4,948,277** |

**Schedule Page: 261 Line No.: 10 Column: b**

| | |
|---|---|
| Hamilton Street Bridge | 164,551 |
| Severance / Stock Options - Accelerated Vesting | (526,473) |
| Supplemental Executive Retirement Plan | 335,692 |
| Non-monetary Purchased Power | (181,376) |
| Amortization of Centralia Gain | (1,763,806) |
| Book Depr-Electric (Utility Code 0, 7 & 9) | 55,017,391 |
| Book Depr-Gas (Utility Code 1 & 8) | 9,297,459 |
| Book Deprec (Utility Code 2) | 7,237,654 |
| Rathdrum Turbine Sales Tax Refund | (33,828) |
| Wood Power Inc. Buyout | 391,992 |
| Investment Exchange Power - WNP 3 | 2,450,004 |
| FASB 106-Def Amort-Postretirement Benefits - WA Electric | 250,572 |
| FASB 106-Def Amort-Postretirement Benefits - ID Electric | 88,788 |
| FASB 106-Def Amort-Postretirement Benefits - WA Gas | 55,560 |
| Redemption Expense Amortization - PCBs | 194,424 |
| DSM -- Electric Program Amortization | 1,206,890 |
| DSM -- Gas Program Amortization | 566,736 |
| DSM -- Electric Program Amortization Sandpoint | 113,388 |
| Political Contributions | 1,440,000 |
| Paid Time Off Equalization | (100,136) |
| Sale/Lease General Office Bldg | (238,028) |
| Airplane Lease Payments | 269,825 |
| CSS Hardware Lease - Principal Only | 220,624 |
| CSS Software Lease - Principal Only | 2,032,892 |
| EGMA Hardware & Software Lease - Principal Only | 138,238 |
| WMS Software Lease - Principal Only | 455,636 |
| Office Furniture Lease Series A - Principal only | 80,351 |
| Office Furniture Lease Series B - Principal only | 32,889 |
| Office Furniture Lease Series C - Principal only | 80,057 |
| Office Furniture Lease Series D - Principal only | 29,027 |
| CIT Operating Lease | (39,276) |
| FAS106 Current Retiree Medical accrual | (1,131,553) |
| Redemption Expense Amortization | 877,910 |
| Meal Disallowances | 288,000 |
| Transportation Book Depreciation | 682,946 |
| Preferred Dividend Requirement | 1,094,628 |
| **Deductions Recorded on Books Not Deducted for Return** | **81,079,648** |

| Name of Respondent<br>Avista Corp. | This Report is:<br>(1) X An Original<br>(2) _ A Resubmission | Date of Report (Mo, Da, Yr)<br>04/30/2004 | Year of Report<br>Dec 31, 2003 |
|---|---|---|---|

FOOTNOTE DATA

**Schedule Page: 261 Line No.: 15 Column: b**

| | |
|---|---|
| Injury & Damages - Electric | 150,459 |
| Injury & Damages - Gas | (39,260) |
| Injury & Damages - OR/CA | (257,555) |
| Kettle Falls Nonoperating | (228,480) |
| Gain on General Office Bldg - Elec | (196,092) |
| Gain on General Office Bldg - Gas | (65,364) |
| Clark Fork PMEs | (26,194) |
| Nez Perce settlement -- WA | (22,008) |
| Nez Perce settlement -- ID | 5,212 |
| FASB 87 | (67,130) |
| Deferred Compensation Accrual | 2,262,927 |
| WA Deferred Power Costs | 6,137,329 |
| WA Deferred Power Costs - Interest | (6,873,898) |
| Idaho PCA | 3,518,073 |
| Idaho PCA - Interest | (985,150) |
| Deferred Gas - WA | 2,220,126 |
| WA Deferred Gas Costs - Interest | (252,168) |
| Deferred Gas - ID | 3,844,023 |
| ID Deferred Gas Costs - Interest | (66,021) |
| Deferred Gas - OR | (8,780,887) |
| OR Deferred Gas - Interest | (150,057) |
| Deferred Gas - CA | (621,450) |
| CA Deferred Gas - Interest | (31,163) |
| WPNG DSM - OR | (249,716) |
| OR DSM - Interest | 89,993 |
| PGE Monetization | 6,219,439 |
| AFUDC Elec | (273,847) |
| AFUDC Gas | (18,333) |
| AFUDC - OR/CA | (5,722) |
| Officers' Life Insurance | (559,987) |
| **Income Recorded on Books Not Included in Return** | **4,677,099** |

**Schedule Page: 261 Line No.: 20 Column: b**

| | |
|---|---|
| BPA Residential Exchange -- WA & ID | (423,500) |
| WA & ID DSM Tariff Rider -- Electric | 3,363,144 |
| WA & ID DSM Tariff Rider -- Gas | (616,884) |
| Removal/Salvage - Electric (Utility Code 0, 7 & 9) | (183,243) |
| Removal/Salvage - Gas (Utility Code 1 & 8) | (36,884) |
| Removal/Salvage - OR/CA | (189,586) |
| Basic American Foods-Non-Utility | 7,788 |
| Tax Depreciation - Basic American Foods -- Non-Utility | (16,259) |
| Engineering Overheads - Electric | (6,000,000) |
| Tax Depreciation - Electric | (58,754,699) |
| Tax Depreciation - Rathdrum Turbine | (3,518,376) |
| Engineering Overheads - Gas | (2,000,000) |
| Tax Depreciation - Gas | (12,210,606) |
| Tax Depreciation - Sandpoint Acquisition Adjustment | (458,114) |
| Engineering Overheads - OR | (2,000,000) |
| Tax Depreciation - Common | (721,113) |
| Tax Depreciation - OR | (4,861,909) |

| | |
|---|---|
| Tax Depreciation - CA | (590,863) |
| Tax Amortization: WPNG Acquisition - OR | (768,683) |
| Tax Amortization: WPNG Acquisition - CA | (135,297) |
| WPNG Acquisition OR - Book | 1,117,260 |
| WPNG Acquisition CA - Book | 206,160 |
| **Deductions on Return Not Charged Against Book Income** | **(88,791,664)** |

***Schedule Page: 300 Line No.: 4 Column: b***

Classification between commercial and industrial customers is based on whether the entity manufactures a product (industrial) or provides a service or product for sale (commercial).

***Schedule Page: 300 Line No.: 10 Column: b***

Includes unmetered revenue for services such as area lights and street lights. Unmetered revenue is included in all classifications.

***Schedule Page: 304 Line No.: 41 Column: c***

Includes the following fuel adjustment revenues:

WA (Sch 93) - $26,955,433
ID (Sch 66) - $26,753,952

***Schedule Page: 310.1 Line No.: 9 Column: b***
Enron contact assigned to Peaker, LLC November 17, 2003.

***Schedule Page: 310.3 Line No.: 2 Column: b***
NorthWestern Energy contract terminates October 31, 2008.

***Schedule Page: 310.3 Line No.: 5 Column: b***
PacifiCorp sale terminated September 15, 2003.

***Schedule Page: 310.3 Line No.: 8 Column: b***
PacifiCorp sale terminates October 31, 2008.

***Schedule Page: 310.3 Line No.: 9 Column: b***
Peaker, LLC capacity contract terminates December 31, 2016.

***Schedule Page: 310.4 Line No.: 4 Column: b***
PP&L Montana terminates October 31, 2008.

***Schedule Page: 310.4 Line No.: 9 Column: b***
Puget Sound Energy terminates October 31, 2008.

***Schedule Page: 310.5 Line No.: 12 Column: a***
Intracompany Wheeling

***Schedule Page: 310.5 Line No.: 12 Column: b***
IntraCompany Wheeling terminates 09/30/2023.

***Schedule Page: 310.5 Line No.: 12 Column: j***
Transmission revenue for pre-888 contracts.  Reclassification of revenue.

***Schedule Page: 310.5 Line No.: 13 Column: a***
Intracompany generation - sale of ancillary services

***Schedule Page: 310.5 Line No.: 13 Column: b***
IntraCompany Generation - Sale of Ancillary Services terminates 12/31/2009.

***Schedule Page: 310.5 Line No.: 13 Column: j***
Sale of Ancillary Services to Avista Transmission Department.

***Schedule Page: 310.5 Line No.: 14 Column: b***
Estimated revenues - true up in later periods.

***Schedule Page: 326 Line No.: 6 Column: b***
BPA - WNP#3 contract terminates June 30, 2017.

***Schedule Page: 326 Line No.: 7 Column: b***
BPA - CSPE & Supp/Entitlement Capacity - terminated March 31, 2003.

***Schedule Page: 326 Line No.: 9 Column: l***
Other charges - Internal Nonmonetary accrual

***Schedule Page: 326 Line No.: 10 Column: b***
Storage charges

***Schedule Page: 326 Line No.: 10 Column: l***
Other Charges - Storage charges

***Schedule Page: 326.1 Line No.: 4 Column: b***
CSPE Capacity - terminated March 31, 2003.

***Schedule Page: 326.2 Line No.: 8 Column: b***
Service to Deer Lake customers delivered from Inland Power & Light.

***Schedule Page: 326.3 Line No.: 10 Column: l***
Other Charges - Internal Nonmonetary accrual

***Schedule Page: 326.3 Line No.: 13 Column: l***
other Charges - Internal Nonmonetary accrual

***Schedule Page: 326.3 Line No.: 14 Column: l***
Other Charges -  Internal Nonmonetary accrual

***Schedule Page: 326.4 Line No.: 11 Column: l***
Off system exchange of energy

***Schedule Page: 326.5 Line No.: 11 Column: l***
Other Charges - Ancillary services

***Schedule Page: 326.6 Line No.: 1 Column: l***
Other Charges - Amortization of contract buyout

***Schedule Page: 326.6 Line No.: 2 Column: a***
IntraCompany generation - ancillary services, terminates December 31, 2009.

***Schedule Page: 326.6 Line No.: 2 Column: b***
IntraCompany generation - Ancillary services

***Schedule Page: 326.6 Line No.: 2 Column: l***
IntraCompany generation - Ancillary services.  terminates December 31, 2009.

***Schedule Page: 326.6 Line No.: 3 Column: a***
Transmission losses

***Schedule Page: 326.6 Line No.: 4 Column: a***
Inadvertant Energy

***Schedule Page: 328 Line No.: 1 Column: a***

Subsidiary of Avista Corp.

***Schedule Page: 328 Line No.: 2 Column: a***

Subsidiary of Avista Corp.

***Schedule Page: 328 Line No.: 3 Column: a***

Subsidiary of Avista Corp.

***Schedule Page: 328 Line No.: 4 Column: a***

Subsidiary of Avista Corp.

***Schedule Page: 328 Line No.: 5 Column: a***

Subsidiary of Avista Corp.

***Schedule Page: 328 Line No.: 6 Column: a***

Subsidiary of Avista Corp.

***Schedule Page: 328 Line No.: 7 Column: a***

Subsidiary of Avista Corp
Other Charges - Prior period

***Schedule Page: 328 Line No.: 8 Column: a***

Transfer Agreement terminates October 31, 2005

***Schedule Page: 328 Line No.: 16 Column: a***

Agreement Treminates Sept. 30, 2006
Other Charges - Use of Facilities

***Schedule Page: 328.1 Line No.: 1 Column: a***

Agreement Terminates on one year notice

***Schedule Page: 328.2 Line No.: 15 Column: a***

AGreement terminates Dec. 31, 2012

***Schedule Page: 328.4 Line No.: 7 Column: a***

Other Charges - prior period

***Schedule Page: 328.4 Line No.: 8 Column: a***

Agreement terminates Oct. 30, 2005

***Schedule Page: 328.5 Line No.: 2 Column: a***

Agreement terminates Oct 30, 2005
Other Charges - Use of Facilities

***Schedule Page: 328.5 Line No.: 3 Column: a***

Agreement terminates Dec 31, 2003

***Schedule Page: 328.5 Line No.: 4 Column: a***

Agreement terminates Oct. 30, 2005

***Schedule Page: 328.5 Line No.: 5 Column: a***

Agreement terminates Nov. 11, 2015
Other Charges - Use of Facilities

***Schedule Page: 328.5 Line No.: 13 Column: a***

Agreement terminates Dec. 31, 2009
Other Charges - losses delivered

***Schedule Page: 332 Line No.: 7 Column: a***

Other Charges - Prior Period

***Schedule Page: 332 Line No.: 8 Column: a***

Delivered Power to Wheeler
Other Charges - Prior period

***Schedule Page: 332 Line No.: 9 Column: a***

Received Power from Wheeler
Other Charges - Prior period

***Schedule Page: 332 Line No.: 10 Column: a***

Received Power from Wheeler
Other Charges - Prior period

***Schedule Page: 332 Line No.: 12 Column: a***

Received Power from Wheeler

***Schedule Page: 332 Line No.: 14 Column: a***

Received Power from Wheeler

***Schedule Page: 332 Line No.: 15 Column: a***

Delivered Power to Wheeler
Other Charges - Prior period

***Schedule Page: 332.1 Line No.: 1 Column: a***

Received Power from Wheeler

***Schedule Page: 332.1 Line No.: 2 Column: a***

Received Power from Wheeler

***Schedule Page: 332.1 Line No.: 3 Column: a***

Received Power from Wheeler

***Schedule Page: 332.1 Line No.: 4 Column: a***

Received Pwoer from Wheeler

***Schedule Page: 332.1 Line No.: 5 Column: a***

Received Power from Wheeler

***Schedule Page: 332.1 Line No.: 6 Column: a***

Delivered Power to Wheeler

**Schedule Page: 335 Line No.: 5 Column: b**

| Vendor | Purpose | 2002 Amount |
|---|---|---|
| SODEXHO INC | Board meeting & meals | 5,086.04 |
| RED LION HOTEL | Retirement | 5,427.89 |
| DAVENPORT 2000 LLC | Board meeting & travel | 5,555.40 |
| GEORGESON SHAREHOLDER | Proxy materials & mailing | 5,886.89 |
| AUBLE,JOLICOEUR & GENTRY | Analysis fees | 6,192.78 |
| HELLER EHRMAN WHITE | Legal Services | 6,208.12 |
| WILMINGTON TRUST COMPANY | Corp trust fees | 7,200.49 |
| JACK W. GUSTAVEL | Quarterly payment | 7,327.85 |
| WELLS FARGO | Board activities | 7,753.15 |
| SECRETARY OF STATE | 2003 annual report | 8,098.77 |
| SHARMAN COMMUNICATIONS | 2003 annual report | 10,589.23 |
| CAGNEY MCDOWELL INC | 2002 annual report | 19,608.87 |
| FITCH INC | Relationship fee | 21,387.60 |
| J. CRAIG SWEAT PHOTOGRAPHY | 2002 & 2003 annual report | 22,283.40 |
| RR DONNELLEY RECEIVABLES INC | 2002 financials & proxy | 25,403.56 |
| MOODY'S INVESTORS SERVICE | Stock monitoring services | 28,516.80 |
| CITIBANK NA | Services & fees | 29,030.46 |
| ADP INVESTOR | Proxy materials & solicitation | 33,790.92 |
| STANDARD AND POORS | Analytical services | 33,863.70 |
| ANDERSON-MRAX DESIGN | 2003 annual report | 41,884.05 |
| JP MORGAN CHASE BANK | Services & fees | 43,990.30 |
| LAWTON PRINTING INC | 2002 annual report | 57,450.06 |
| THE BANK OF NEW YORK | Stock transfer fees & services | 143,417.78 |
| BANKERS TRUST | Company/Director stock plan | 201,940.42 |

**Schedule Page: 335 Line No.: 6 Column: b**

| Director | 2003 Fees & Expenses |
|---|---|
| • R. John Taylor | $ 26,716.85 |
| • David A. Clack | $ 29,353.31 |
| • John F. Kelly | $ 23,843.68 |
| • Sarah M. R. Jewell | $ 6,734.41 |
| • Jessie Knight | $ 22,874.05 |
| • Kristianne Blake | $ 35,995.75 |
| • Erik J. Anderson | $ 25,523.42 |
| • Roy Lewis Eiguren | $ 24,157.27 |
| Lura J. Powell | $ 24,860.71 |

FOOTNOTE DATA

**_Schedule Page: 402 Line No.: -1 Column: b_**

Joint facility with Mirant Oregon,LLC. Operated by Portland General Electric.

**_Schedule Page: 402 Line No.: -1 Column: e_**

Operated by PPL Montana LLC.

**_Schedule Page: 402 Line No.: -1 Column: f_**

Leased plant.

***Schedule Page: 406 Line No.: -2 Column: b***

License period from August 1, 1972 to July 31, 2007.

***Schedule Page: 406 Line No.: -2 Column: c***

License period from August 1, 1972 to July 31, 2007.

***Schedule Page: 406 Line No.: -2 Column: d***

License period from March 1, 2001 to February 28, 2046

***Schedule Page: 406 Line No.: -2 Column: e***

License period from March 1, 2001 to February 28, 2046.

***Schedule Page: 406 Line No.: -2 Column: f***

License period from August 1, 1972 to July 31, 2007.

***Schedule Page: 406.1 Line No.: -2 Column: b***

License period from August 1, 1972 to July 31, 2007.

***Schedule Page: 406.1 Line No.: -2 Column: c***

Licensed period from August 1, 1972 to July 31, 2007.

***Schedule Page: 406.1 Line No.: -2 Column: d***

Not a licensed project.

***Schedule Page: 422 Line No.: 31 Column: a***

Peaker, LLC capacity contract terminates December 31, 2016.